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**HUMAN RESOURCES MANAGEMENT PRACTICES AND  
TURNOVER INTENTION AMONG MANUFACTURING  
EMPLOYEES IN SELANGOR**



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**HUMAN RESOURCES MANAGEMENT PRACTICES AND TURNOVER  
INTENTION AMONG MANUFACTURING EMPLOYEES IN SELANGOR**

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**Thesis Submitted to**

**Othman Yeop Abdullah Graduate School of Business Universiti Utara Malaysia**

**in Partial Fulfilment of the Requirement for the Master of Human Resources**

**Management**

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## ABSTRACT

Employee's turnover intention has become one of the most common issues to be discussed nowadays in human resource practices field. However it is vital issue to be further discussed and explore as Malaysia in year 2015 was the third country in South East Asia with the highest voluntary turnover rate approximately 9.5%. This has caused fear among human resources practitioner for looking a way out. The main objective of this study is to examine the relationship between turnover intention and job security, compensation, performance appraisal and career development opportunities among manufacturing industry local employees within Selangor. Data collections for this study were made through a set of questionnaire given to 5 different companies around Selangor which comprised of 265 local employees respondents. Statistical Package for the Social Sciences (SPSS) version 18 software was used in this study in determining the acceptance of the identified hypotheses made specifically for the study. The findings resulted in the acceptance two of the study hypotheses made. Job security and compensation were found to be correlated and contributing to the intention of leaving an organization for manufacturing industry local employees around Selangor. On the other hand, performance appraisal and career development opportunity were found no significant relationship in this study. With limited resource and literature in the study findings, to some extent have contributed in the understanding of the intention to leave an organization among manufacturing industry local employees and developing and expanding the knowledge within the scope of human resource practices in Malaysia employment landscape.

**Keywords:** turnover intention, job security, compensation, performance appraisal and career development opportunity

## ABSTRAK

Keinginan pusing ganti pekerja merupakan satu isu umum yang akan dibincangkan dalam bidang pengurusan sumber manusia pada masa kini. Walaubagaimanapun ianya penting untuk dibincangkan dan dikaji lebih mendalam apabila pada tahun 2015 Malaysia merupakan negara ketiga tertinggi dengan purata 9.5% pusingan ganti pekerja secara sukarela di Asia Tenggara. Ini telah mewujudkan kebimbangan kepada kalangan pengamal pengurusan sumber manusia untuk mencari jalan penyelesaiannya. Objektif utama kajian ini adalah untuk menguji kesinambungan antara keinginan pusingan ganti pekerja dengan jaminan pekerjaan, pampasan, penilaian prestasi dan peluang pembangunan kerjaya dalam kalangan pekerja tempatan dalam industri pembuatan sekitar Selangor. Pengumpulan data dilakukan dengan menggunakan borang soal selidik yang diberikan kepada 5 buah syarikat berbeza sekitar Selangor yang merangkumi 265 orang pekerja tempatan. “Statistical Package for the Social Sciences” (SPSS) versi 18 telah digunakan untuk mengenalpasti penerimaan hipotesis kajian yang dibuat khas dalam kajian ini. Dalam kajian ini mendapati dua hipotesis kajian telah diterima. Jaminan pekerjaan dan pampasan didapati berhubung kait dan menyumbang kepada keinginan pusing ganti pekerja dalam kalangan pekerja tempatan dalam industri pembuatan sekitar Selangor. Manakala penilaian prestasi dan peluang pembangunan kerjaya pula didapati tidak mempunyai hubung kait dalam kajian ini. Dengan sumber dan maklumat yang terhad bagi kajian ini sedikit sebanyak telah menyumbang kepada pemahaman terhadap keinginan pusing ganti pekerja dalam kalangan pekerja tempatan dalam industri pembuatan dan membina serta mengembangkan pengetahuan dalam skop pengurusan sumber manusia di lanskap pekerjaan Malaysia.

**Kata kunci:** keinginan pusingan ganti pekerja, jaminan pekerjaan, pampasan, penilaian prestasi dan peluang pembangunan kerjaya

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

The greatest asset for the organization is the employee because the most important component of the organization is the workforce (Mohamad, 2011). Moreover, the organizations would not able to achieve all the organizational goals, cannot produce the business result, and neither to meet their financial goals (Johanim, 2012). Mohamad (2011) also state that without a strong workforce which will play their roles and responsibilities, a profit-making company will not be able to achieve their organizational or business goals.

Therefore when the employee leaved the organization, the organization will tend to get a several bad impact which stated in the several empirical studies that confirmed the negative impact of the high level of the turnover on the productivity and also organizational profit (Brown *et al.*, 2015) and employee performance (Shaw *et al.*, 2005). Sageer *et al.* (2012) said there are various factors which relate with the company where the employees are not satisfied or happy will leave the organization.

Therefor factors related to the company environment and human resources management are important in order to make employee feel happy to work in that

organization. When the employees feel happy, it will reduce the desire to quit from work.

In order to reduce the number of employees leave the company, there is something that needs to be in place which is good human resource management (HRM) practice. Human resources management (HRM) is the involving of the productive use of people in order to accomplish the organization objective also the fulfillment in the individual employee needs (Maimunah, 2011).

Furthermore Dessler (2011) defined the human resource management (HRM) is the flow of bringing in, training, evaluating or appraising and compensating the entire employee and also attending to their labor relations, safety, and health plus fairness concern. Moreover, according to Lee and Lee (2007) in business implementation HRM practices particularly compensation and benefit, training and development, corporation and teamwork, Human Resource planning, worker security, and performance appraisal will help develop firms' business performance together with employee's productivity, firm's flexibility, and quality product.

Santhanam *et al.* (2017) in their journal on Impact of Human Management Practices on Employee Turnover Intentions, Moderating Role of Psychological Contract Breach said that it is trusted that human resources practices play a fundamental role in affecting employee attitude and performance. Based on Allen *et al.* (2003) employee turnover can be decreased with the commitment of the



organization to provide chances for the employee to perform their task successfully.

This statement also supported by Tang and Tang (2012) studies whereby they claimed that by investing on the improvement of service capacity of employees will derive the employee turnover down especially through new employee selection policies, training and development practices, performance appraisal, empowering the employee in decision making and also competitive reward. Abdali (2011) describes turnover as a percentage number of the employee who resign from the company at a certain time period with the average number of employee stay in that organization at the exact same time.

## **1.2 Manufacturing sectors in Selangor.**

According to the Malaysia Government's Official Portal in 2015, since early 1980s manufacturing industries in Malaysia has shown tremendous growth when there are some transformation occurred into the industrial-based economy from the predominantly agricultural economy. In the annual report for the gross domestic product (GDP), there are an additional 75% contributed by the manufacturing industries from RM 110 billion in the year 2005 to RM 193 million in 2013. Besides that, the manufacturing industry also is the second biggest contributor to the GDP right after service industry as stated in the annual report of GDP which been released in May 2014.

Moreover on the quarterly bulletin of Bank Negara in 2014 stated that Malaysia's manufacturing sector has been contributed 7.3 % growth over the year to the second quarter of 2014 of the Malaysian economy. The contribution of the manufacturing sector to the external trade, job creation and also gross domestic product (GDP) is the evidence of the important of the manufacturing sector.

According to one of the economic review report on Malaysia which been published by Australia's government, there are 67% of the Malaysian export are from manufacturing firms. In the studies done by Chen (2015) stated that the area which has full of manufacturing industries is in Klang area.

Selangor is one of the developed states in Malaysia and has the largest economy in terms of gross domestic product (GDP), with RM 239.968 billion in 2015, comprising 22.6% of the country's GDP (Malaysia Government's Official Portal, 2015). Moreover, number of the total company by location in the Selangor is more than other location as per Table 1.1 from the Labour Office official site (2017). Based on the Table 1.2 show that total employed people in manufacturing industry is more than other industry in Selangor.

Table 1.1

*Total Company by State (Yearly)*

	Year							
	2010	2011	2012	2013	2014	2015	2016	2017
	Total	Total	Total	Total	Total	Total	Total	Total
Johor	17,869	14,660	11,521	6,599	10,838	12,399	10,025	1,316
Kedah	10,730	8,668	5,835	3,185	5,938	5,890	5,295	655
Kelantan	3,851	4,183	3,007	1,735	2,738	3,011	2,972	489
Melaka	3,665	4,454	3,981	2,178	3,438	3,616	3,245	441
Negeri Sembilan	5,265	3,120	3,256	1,668	3,054	3,464	2,778	333
Pahang	8,396	8,611	6,869	3,073	4,370	4,598	3,148	350
Perak	14,245	15,484	10,886	6,305	7,521	8,721	6,635	1,045
Perlis	1,467	1,186	955	568	616	563	479	114
Pulau Pinang	15,236	11,752	7,654	4,632	7,476	8,668	5,003	1,108
Sabah	8,678	9,162	8,598	8,984	9,468	9,887	7,519	1,356
Sarawak	2,750	2,857	3,754	3,573	3,731	4,243	2,648	338
Selangor	22,474	26,202	18,718	10,656	15,759	15,735	11,263	1,796
Terengganu	5,928	5,776	5,011	2,590	3,647	4,656	4,426	271
Wilayah Persekutuan Kuala Lumpur	10,467	4,680	8,754	2,903	6,095	4,195	4,338	513
Wilayah Persekutuan Labuan	1,022	587	513	286	332	272	89	78
Wilayah Persekutuan Putrajaya	124	154	53	40	95	359	62	25

Source: ILMIA's estimated based on Labor Market Database Data

Table 1.2

*Total Employed people by Industry in Selangor (Yearly)*

Tahun Year	Jumlah Total	Industri Industry																			
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
2010	2,551.1	50.1	16.7	496.4	22.7	12.3	246.8	382.3	162.1	163.8	94.2	134.6	21.4	114.5	77.1	176.9	168.1	60.1	28.9	39.5	82.4
2011	2,645.2	46.2	25.1	539.3	15.8	15.8	263.1	398.6	187.8	174.1	111.5	124.5	25.1	134.8	87.0	126.2	153.5	86.2	25.2	39.2	65.9
2012	2,776.1	50.1	26.6	555.0	18.6	17.5	275.0	425.1	208.8	166.8	121.1	125.9	32.3	127.7	132.2	117.1	165.9	92.4	21.0	37.6	58.4
2013	2,933.3	55.5	28.9	573.0	19.1	25.2	299.2	468.4	195.4	174.9	116.1	125.3	33.4	120.0	141.7	136.9	166.5	115.2	18.9	39.2	80.0
2014	3,033.6	42.4	26.6	601.9	25.4	18.8	279.5	489.9	182.3	217.6	117.8	130.6	29.1	131.1	198.1	120.7	178.0	123.4	28.2	43.3	48.2
2015	3,135.0	48.5	31.4	568.5	14.6	20.0	338.1	524.8	174.1	223.7	130.2	139.5	27.7	140.6	169.7	135.4	185.9	136.2	18.8	57.5	49.2
2016	3,217.6	41.8	31.2	631.7	23.9	12.5	315.1	514.4	191.2	250.8	123.1	146.3	30.8	148.1	175.8	133.6	189.9	137.0	19.4	65.4	35.6
2017	3,359.5	55.0	27.3	683.7	12.5	11.6	308.1	560.4	206.2	267.2	123.3	160.7	30.7	131.8	183.9	139.5	185.1	148.8	22.1	70.9	29.9

Note/Note:

<sup>1</sup> Industri dikelaskan mengikut "Piaian Klasifikasi Industri Malaysia (MSIC) 2008". Keterangan kategori industri adalah seperti berikut:  
Industry is classified according to the "Malaysia Standard Industrial Classification (MSIC) 2008". Category of industry are as follows:

A Pertanian, perhutanan dan penikanan  
Agriculture, forestry and fishing

B Pertambangan dan pengkuarian  
Mining and quarrying

C Pembuatan  
Manufacturing

D Bekalan elektrik, gas, wap dan pendingin udara  
Electricity, gas, steam and air conditioning supply

E Bekalan air, pentadbiran, pengurusan sisa dan aktiviti pemulihan  
Water supply; sewerage; waste management and remediation activities

F Pembinaan  
Construction

G Perdagangan borong dan runcit, pembaikan kenderaan bermotor dan motosikal  
Wholesale and retail trade; repair of motor vehicles and motorcycles

H Pengangkutan dan penyimpanan  
Transportation and storage

I Penginapan dan aktiviti perkhidmatan makanan dan minuman  
Accommodation and food service activities

J Maklumat dan komunikasi  
Information and communication

K Aktiviti kewangan dan insurans/takaful  
Financial and insurance activities

L Aktiviti hartanah  
Real estate activities

M Aktiviti profesional, saintifik dan teknikal  
Professional, scientific and technical activities

N Aktiviti pentadbiran dan khidmat sokongan  
Administrative and support service activities

O Pentadbiran awam dan pertahanan; aktiviti keselamatan sosial wajib  
Public administration and defence; compulsory social security

P Pendidikan  
Education

Q Aktiviti kesihatan, kemanusiaan dan kerja sosial  
Human health and social work activities

R Kesenian, hiburan dan rekreasi  
Arts, entertainment and recreation

S Aktiviti perkhidmatan lain  
Other service activities

T Aktiviti di rumah sebagai majikan  
Activities of households as employers

<sup>2</sup> Jumlah termasuk bilangan penduduk bekerja bagi aktiviti badan dan pertubuhan luar wilayah  
Total includes number of employed persons in activities of extrajurisdictional organizations and bodies

Source: Department of Statistic, Malaysia

### 1.3 Problem Statement

Employee's turnover intention has become the main issue discussed by the majority of Malaysian organization especially in manufacturing sectors. According to Sinniah and Kamil (2017), the majority of companies in developing Asian countries such as Malaysia, Singapore, South Korea, and Taiwan are having the same problem which is high turnover rate among the employees.

According to the Aon Hewitt press which releases in November 2016 stated that the voluntary turnover rate in Malaysia was 13.0% compared to Australia at 12.4% followed by Singapore 11.7%. Besides that, in the year 2015, Aon also states that Malaysia is the third highest in South East Asia in the voluntary turnover rates which are 9.5% and also a second highest involuntary turnover rate which is 6.0%. Therefore a further study on turnover rate is a very significant or beneficial to employer in order to shape employee attitude and behaviour especially in manufacturing companies.

There are other researchers also stated that employee turnover is one of the major problems that been faced by every organization in many Asian countries as in Malaysia, South Korea, Hong Kong, Singapore and also Taiwan (Khatri *et al.*, 2011). As in Malaysia, it has been recorded in the year period 2009-2010 as the crisis of highest turnover on average 18.3 % which make some entity being required to conduct several employee loyalty programs as a penalty for their failure to keep their valuable workers (Ken, 2013).

Other than that employee turnover gave a lot of negative impact to the company such as a decrease in productivity because of under staffing plus with no experiences new staff. Freeman (2006) also said that a serious employee deficiency around the world will give an unparalleled challenge to the policy maker and also all business leaders over the next fifteen year.

Recently, the theoretical and empirical literature on the employees' turnover intention continues to grow (Mobley, 1977; Price, 1977; and Sinniah & Kamil, 2017). In the past research, have identified a few reasons behind employee's turnover. Among all are job security, compensation level, and unproductive working conditions are also the reason for the employee turnover. Saiyadain and Ahmad (1997), discover that majority of companies with poor working conditions will lead to high employees' turnover rate.

Although, most of past studies have examined the relationship between human resource management practices with employees' turnover intention, however, a limited number of literature have included career development opportunities as part of the equation (Shuck *et al.*, 2014). Apart from that, it is vital for this research to examine the effects of career development opportunities as part of the human resources management practices dimensions on turnover intention in Malaysia manufacturing industry since most of the employers are not considered as an intention non-professional worker and ill-treated.

Therefore, this research examined the dimensions of human resources management practices which are job security, compensation, performance

appraisals and career development opportunities on employees' turnover intention in Selangor manufacturing industry.

In the past research done by Wheeler *et al.* (2010) stated that the organization should enhance their organizational performances by practicing strategic HRM practices as it have ability to reducing employee's turnover which also been highlighted by Wright *et al.* (2003) and also Chang and Chen (2002) in discussion on Human resources Management in recent years. Therefore in this study aims to gain more understanding and also provide further insight into the role of employee's identification with their employer and how evaluation on job security, compensation, career development opportunities and performance appraisal affects turnover intention of manufacturing employees in Selangor.

#### **1.4 Research Questions**

- A. What is the level of turnover intention and human resources management practices among employee in the manufacturing company in Selangor?
- B. Does job security have a relationship with employees' turnover intention?
- C. Does compensation have a relationship with employees' turnover intention?
- D. Does a performance appraisal have relationships with employees' turnover intention?

- E. Does a career development opportunity have relationships with employees' turnover intention?
- F. Is there any relationship between job security, compensation, performance appraisal, career development opportunities and employees' turnover intention among employees of manufacturing company in Selangor.

### **1.5 Research Objectives**

- A. To identify the level of turnover intention and human resources management among employee in manufacturing company in Selangor.
- B. To determine the relationship between job security and employees' turnover intention among employees in manufacturing company in Selangor.
- C. To determine the relationship between compensation and employees' turnover intention among employees in manufacturing company in Selangor.
- D. To determine the performance appraisals and employees' turnover intention among employees in manufacturing company in Selangor.
- E. To determine the career development opportunities and employees' turnover intention among employees in manufacturing company in Selangor.

F. To determine the influence between job security, compensation, performance appraisal, career development opportunities and employees' turnover intention among employees in manufacturing company in Selangor.

## **1.6 Significance of the study**

Besides contributing to the body of knowledge, this research is essential to provide information on the relationship and effectiveness of Human Resource Management (HRM) practices model in managing employees' turnover rate especially in manufacturing industry in Malaysia. Malaysia manufacturing industry requires information to strengthening their Human Resource Management (HRM) system.

Therefore, this research is significant for manufacturing companies in Malaysia to formulate strategies in making sure they are able to increase their employees' retention rate. The information gathered in this research will be helpful in the process of developing new companies human resource policy.

Apart from that, referring to the research objectives this research is expected to make contributions to the human resource literature from both academic and practical perspectives. This research will contribute to human resource literature in several ways.

First and foremost, this research will provide an empirical analysis of HRM practices on employees' turnover intention. The finding of this research is



important because so far there is a lack of research conducted by previous researchers to include career development opportunities in their HRM practices framework and examined its effect on employees' turnover intention.

In addition by doing this research, the researcher will be able to gain a lot of knowledge on the issues that have been discussed here. The researcher also hopes another researcher will use this research as a guideline for their future research.

### **1.7 Scope and Limitations of the study**

The scope of the study is limited to manufacturing industry employees. This study also comprised all levels of employee in the manufacturing firms in Selangor. They are five manufacturing firms from the Selangor as a sample size was selected to conduct the study. These five companies were chosen because of their size and their cooperation in participating in these studies. Manufacturing industries employees were chosen as the respondents because the performances of Malaysia manufacturing sectors were positive in the overall performance in Malaysia (Aziz & Mahmood, 2011).

This has been supported by the Tenth Malaysia Plan, 2011-2015 (Malaysia, 2011), shows that the manufacturing sector gives a positive performance in both export and GDP. During the Tenth Malaysia plan in the period 2015, there has been 23.0% or RM 243.9 billion contributed by the manufacturing industry to GDP.

There are a few limitations on this study. One of the limitations is time. The researchers need to complete the questionnaire distribution to the several manufacturing employees. After that, it followed by the collection of the questionnaire and analysis of the result. Collection of the questionnaire and also analyze of the result will be most time consuming.

The researcher decided to choose and focus on five manufacturing companies in Selangor to conduct the quantitative research. This study investigates the influence of job security, compensation, career development opportunities and performance appraisal on turnover intention and makes sure which practices that affect mostly manufacturing employee turnover intention in Selangor. Future research can be done on the same factors in order to expand the knowledge on this study.

### **1.8 Organization of the thesis**

This section reviews the organization of the study. This thesis will be organized in five chapters" format. Chapter one commences with HRM practices and employees" turnover intention in Malaysia manufacturing industry. This chapter presents the background, problem statements, the research questions, research objective, scope and limitation of the study, significant of the study, organization of the thesis and summary.

In Chapter two it inclusive of a detailed literature review about HRM practices a dimensions which are job security, compensation, performance appraisal, career

development opportunities and employees' turnover intention. Followed by a theory on a turnover intention which is Human Capital Theory and Mobley's Model.

Meanwhile, Chapter three provide specific discussion on the research methodology, which includes research design, population and sampling plan, research instruments, pilot study, data collection procedures, and data analysis. The framework constructs in this study is used to develop the hypothesis.

Furthermore Chapter four describes in detail on data analysis in order to assess the results of the study. The descriptive statistic be presented followed by the reliability test, validity test, correlation test and multiple regression tests. In addition, this chapter also discussed the basic findings of the study.

Chapter five discussed the findings of the study. In addition, this chapter considered the implication of the findings as well as theoretical and managerial contributions within the scope. Last but not least, the last part of this chapter will discuss on the conclusions and recommendations for future references.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter discussed on the concepts, findings of the previous studies, and related theories apply to the study. It provides a specific explanation of the selected dependent variables and independent variables.

Employees are the key asset and the most important advantage for an association. An organization requires workers to emerge the business results, to achieve the organization objectives, or to understand its financial related destinations, and therefore, most organization perceives the significance of representatives in accomplishing their business objectives (Johari *et al.*, 2012). Moreover, an organization may hold the most grounded points of interest, in the types of the most recent innovation, strong financial related and hold market situating, all things considered, without having a strong workforce to play out their jobs and obligations, an organization is unable to achieve its targets and objectives (Taylor, 2002).

Imbalance numbers of the employee hired to run a business is a nightmare to all organization (Jha, 2009). It is the most challenging part as human resource practitioner whereby to ensure the numbers of hired employees is sufficient

enough to cope with the business operation needs together with specific skills at any time (Maimunah, 2011). Human resource practitioner interpretation on employee turnover as a problematical subject which, it is very costly for an organization to face with whereby the organization has to bear with the cost of termination, acquiring and training processes for the resigning employee as well as the new hired employee (Abbasi *et al.*, 2008).

## **2.2 Turnover Intention**

In every organization, it is common to face with the reality of quitting employees and it is a worrying issue for the organization to resolve. It is a very difficult moment for an organization to be at especially in experiencing a high productivity as well as good revenues (Malik & Khalid, 2016). Employee turnover normally defined as the “departure of an employee from the formally defined organization” (March & Simon, 1958). Meanwhile Larson (1984) defined turnover as a process of an employee leaving the organization, which required replacement.

In any kind of organization business, they have to admit that employee turnover is an unavoidable phenomenon that they have to face at any time within the operation in which this phenomenon will cause them financial implication as well as non-financial implication specifically when it involved with competent and resourceful employees that have been gone through a lots of investment in their carrier development, leave seeking for other opportunities at another organization willingly (Weisberg, 1994). Furthermore, Taylor (2001) mentioned that valuable employee turnover is one of the largest and priciest business lost could ever face

in human resource practices. The lost not only look into the valuable knowledge base inside the leaving employee, the organization itself required to restore the resources not only to fit into the job or business requirement but they need to replace with employees that could persuade that they will make the organization planned targets, objectives, and goals to be achieved (Johari *et al.*, 2012).

Bozeman and Gaughan (2011) stress out that turnover is a major problem of an organization whereby it will directly affect the organization through the interconnecting between the qualities of the work and positively will cause the organization to spend more in correcting it. An organization with the high number of turnovers will become an eye opener to the employers because it will cause the organization normal operation interruption, demoralized or influencing currently employed employees and increase the cost in employee's recruitment including selecting and employee's development (Muguongo *et al.* 2015).

As per defined by Price (2001) and Bluedorn (1982) on turnover intention, in which it is the individual's probability of being perceived or willingness to permanently leaving from an organization and concurrently contributing to the actual turnover. Moreover, Aykan (2014) in his study "Effects of Perceived Psychological Contract Breach on Turnover Intention: Intermediary Role of Loneliness Perception of Employees", specifically elaborate turnover intention as the result of psychological contract breach in which will cause an organization experience performance and productivity losses.

Meanwhile, Tett and Meyer (1993) explained that the turnover intention came from the mindful minded of employees and also can be considered as the willingness of employees to choose to psychologically breach the contract and caused them to leave or quit from the organization. Turnover intention also can be defined as the point in which an employee thinking of to leaving the organization with their consciousness and willingness in the present (Lacity *et al.*, 2008).

Turnover can easily break down into two common class inclusive of voluntary turnover which initiated by the employee himself and involuntary turnover which initiated by the employer which both will cause varies direct and indirect impact to the organization operation (Watrous *et al.*, 2006). According to Lambert (2001), voluntary turnover is a result of an employee decision to terminate or end their relationship with the organization. Voluntary turnover is visualized as an interdisciplinary and multidimensional paradigm and this has overwhelmed throughout and over a huge range between the employee and the organization (Udechukwu & Mujtaba, 2007).

On the other hand, involuntary turnover is an unwanted decision made by the employer for the employee to quit from the organization (Mc Pherson, 1976). Mostly, involuntary turnover will not jeopardize the organization from reaching their goals because the most likely group to be terminated are due to their poor performance and unskilled temporary workers in which will cost nothing to the organization of not having them in the team (Wallace & Gaylor, 2012).

Turnover intention can be further elaborated as employee personal vision in the way to letting go off the opportunity that they currently have in the organization rather than leaving the behavior itself (Liou & Cheng, 2010). Besides that, Emberland and Rundmo (2010) clearly defined that turnover intention refers to the result of actual resignation behavior by the employee with the organization that they are working with which had gone through a selfless and attentive concern to quit. Meanwhile, Kreitner and Kinicki (2010) suggested that turnover intention is a very thoughtful process which an employee could take either to look into other external opportunity or not.

Apparently, most researchers in Malaysia have less intention to explore further on turnover intentions in term of Malaysian manufacturing industries context setting except for the study that has been done by Aziz (2009). Therefore, this study will further explore on the factors that possibly contributing to enhancing turnover intention in manufacturing industries as it has caused a big impact on the organization. Job security, compensation, employee relationship and performance appraisal were being selected in this study in examining the direct relationships on employee turnover intention.

### **2.3 Job Security**

Job security based on Maslow's hierarchy of need is located at the second level (Wallace & Gaylor, 2012). In addition, they also quote that job security as professed continuation and permanency of a person job. Bozeman and Gaughan (2011) viewed that a person will consider their position in the organization is



secured when their skills, knowledge and understanding on the organization operation needs are met and suit accordingly. For those who feel their job is insecure commonly will have the intention to leave the organization in searching for more secure job opportunities in other organization which they thought can cause them to believe to be more secure (Ashford *et al.*, 1989).

Mauno *et al.* (2001) and Hellgren *et al.* (1999) views job insecurity in their study clearly as a chronic job stressor that has the potential to cause a great impact directly to the employees well-being. Holm and Hovland (1999) describe that employees job insecurity positively as a threaten to the organization operation in which could be a nightmare to them.

### **2.3.1 The Relationship between Job Security and Turnover Intention**

Sparks *et al.* (2001) explained that those employees that experience job insecurity in their organization that they are working in would normally showed less effort in delivering the best productivity and quality work when being given with a task and prone to be less in the organization goals and objectives driven. Job insecurity has a great impact on both employees and the organization professionally and emotionally same as a chronic disease (Mauno *et al.*, 2001); (Hellgren *et al.*, 1999); (Holm and Hovland, 1999).

Job security concern can be theoretically understood as the apprehension of the upcoming employment of a person and it contained two main components which are the acknowledgement of the threats to job security and the apprehension about

the actual threats itself (Ayken, 2014). Based on the study of Borg and Elizur (1992), employees who had to experience high job insecurity required to blend with the feeling of threatening future perspectives and insecurity of their employment by slowly reducing the effort and value that they might have to pull into their jobs. The only employee that could have to resign from the organization is that with the strongest work ethic who normally to have the strongest mind to have for them to decide as it. This is because; this is the group that will experience the most to lose when they decided to leave the organization.

They also claimed that turnover rate is mostly contributed as a result of job insecurity of the employees whereby it is proved that especially for those who have a brilliant performance in their work that typically have a high chance to securing their employment with a new one at any time. The relationship between job insecurity and the intention of the employee to leave one organization has been well established from various study recently (Mauno *et al.*, 2001). In this particular time the organization itself is on a stack of sword where they are highly potentially to experience the result of losing their most valuable employees who the ones they most wanted to be retained in the organization (Ashford *et al.*, 1989).

It is comprehensible that job insecurity is extremely frightening to the employees which given the vision of missing of their optimistic material, social, and psychological advantages supplementary with their employment (Reisel *et al.*, 2007). As per defined by Greenhalgh and Rosenblatt (1984) on job insecurity, it is an individual's superficial subjection to uphold anticipated steadiness in a

vulnerable job situation in which the feeling comes when an employee becomes unacceptable to the reality of the threaten from the employer on the security of their employment. In this situation, employees tend to avoid the stress caused them to choose to leave it behind as they leaving the organization.

## **2.4 Compensation**

Compensation is commonly recognized in High Commitment Human Recourse Management (HCHRM) practices while evaluating both the attitudinal and behavioral consequences of employees through HCHRM (Juhdi *et al.*, 2013). Compensation can be referred as the advantages employees attain from their organization that they are working with to compensate the loss sustained by them in foregoing their personal resources inclusive of time, effort and knowledge for the organization's gain. Meanwhile, Milkovich and Bloom (1998) define compensation as all forms of monetary return and concrete benefits that an employee obtains while working in the organization.

Dessler (2009) then defines compensation, as “all kinds of payment or rewards are given to the employees and it has to come from their employment”. Furthermore, Bhatia (2010) defines “compensation is the organized method to deliver financial values to employees in interchange for work accomplished”. Aziz (2009) also defines compensation representative both the compensation or repayments (intrinsic and extrinsic) and all other essential required benefits employees may receive for the accomplishment of their jobs.

#### **2.4.1 The Relationship between Compensation and Turnover Intention**

In Bangladesh, compensation is considered as the most vigorous feature in the organization of the employees (Rubel & Kee, 2014). Sarker and Afroze (2014) exposed that poor compensation is the key reason of the employees' frustration that aggravates other undesirable significances such as, absenteeism, lateness and resignation from the organization. In Human Resource Management (HRM) journalism, researchers long-established the relationship between compensation employee turnover intentions (Juhdi *et al.*, 2013).

Allen *et al.*, (2003) indicated the substantial bad relationship between rewards and employee turnover intention. Meanwhile, Nadiri and Tanova (2010) have proclaimed that reasonable dissemination of pay and rewards have great influence on the employees' turnover intentions. Furthermore, Carraher and Buckley (2008) found that there are substantial negative bond between reimbursements and employee's search for new opportunities and resigning from the organization. In addition, Armstrong and Murlis (2007) discovered that great pay encourages employees to stay with the organization for a longer time.

#### **2.5 Performance Appraisals**

Performance appraisal has a wide and various meaning which very substantially from each other (Kumar, 2005). Meanwhile, Arbaiy and Suradi (2007) interpreted performance appraisal as a formal interaction structure inter-relationship between both subordinate and the supervisor. Performance appraisal

commonly used in the monitoring of subordinate work performance through a series of the interview where during this session their work performance is being evaluated and discuss for improvement on the achievement. Besides that, performance appraisal also can be defined as a tool in recognizing and observing staff's competencies as well as considering on the competencies required internally and externally (Ubeda & Santos, 2007). In overall, performance appraisal is processes where employees work performance are being assessed reflecting towards some set of identified objectives and goals over a specific time frame.

Performance appraisal is views as a pillar of human resource practices in an organization where it is one of the most important practices applied in order to visualized and acknowledge employees performance as accurate as possible so that the assessment and evaluation of employees commitment towards task given in identified period can be reliable and valuable to both employees and employer (Fletcher, 2001). In another term, performance appraisal is considered as a tool that being used in the managing the effectiveness and efficiency of employees' performance formally (Spicer & Ahmad, 2006). This also agreed by Mullins (2002) there performance appraisal is used as a tool in determining organization objectives achievement formally based on employees job performance. Besides that, through this tool, the management of the organization can significantly improve by strengthening the operation as it has an impact direct and indirectly to both managements itself as well as the employees (Mackey & Johnson, 2000).

Performance appraisals is widely known as a tool which has been used especially in the process for enhancing and encouraging employees' performance, competencies and rewards distribution as well as uncover employees true potential strengths and its need for development and skill enhancement (Moulik & Mazumdar, 2012). Even though performance appraisal used to be a costly to be conducted; most of the organizations still implement this human resource practice as it gives a foundation to the organization in decisions making especially in certain situation such as training needs, bonuses and promotions are being determined specifically in hoping could enhance work commitment and motivation to the organization operation needs. In the other hand performance assessment practice is essential and cannot be ignored in the organization (Obeidat *et al*, 2014). This is aligned to Getnet *et al*. (2014) understanding about performance appraisal where they claimed that performance appraisal is used to be implemented by the organization in distributing employees' incentive and to evaluate their employees' performance wisely. Not only that, performance appraisal evaluation also believed could possible to discover employees preferences, developmental areas, favorites and insight reflecting to the organization objectives and goals better (Roberts, 2003).

### **2.5.1 The Relationship between Performance Appraisals and Turnover Intention**

Research by Brown *et al*. (2010) on "Consequences of the performance appraisal experience" clearly elaborate on the relationship between the satisfactory of employees towards performance appraisal which proven to have a direct impact

on the intention to leave the organization especially for those who experience low level of satisfactory on the organization performance appraisal system and the result of the evaluation. The failure of the organization to recognize their employees' efforts and contribution toward the organization objectives and goals is one of the keys that contributing on the result of employees' turnover as well as their performance evaluation results (Jawahar, 2006).

Dobbins *et al.* (1993) precisely describe that there is evidence to prove that employees can be affected by the disappointment on their performance rating and potentially to caused them to have the thought of leaving the organization and if they perceived a fair performance appraisal rating from the employer, they possibly to be satisfied with the appraisal system obtained by the organization. Performance appraisal system is very important to many employees where this is the medium or platform that is used in determining training and development, promotions and rises (Folger *et al.*, 1992). Employees will be more loyalty to the organization when they feel their presence is trustworthy by the organization which normally they are depending on the performance appraisal rating given by their organization (Pearce & Porter, 1986). Employee faith towards the organization is the important element in determining the reason of the employees to stay longer with an organization (Boxall *et al.*, 2003).

## **2.6 Career Development Opportunities**

Learning and development is a valuable component to an organization as it is an essential retention strategy to be established and supported in learning and

working organization (Govaerts *et al*, 2011). Ensuring employees to get much more comfortable with any of their new work environment through series of training has been proved to be a key element in managing their stress level toward the possible irritation to their new entitlement (Lashley & Best, 2002). Employees who feel that their employment in the organization will be given with the chance to be enhanced their skills through series of organized designated training and development programs are common will be much more satisfied with the opportunity and tend to be more loyalty to the organization (Costen & Salazar, 2011).

Jaiswal and Dhar (2015) suggested that employees career development will give a positive effect on the output in which will stimuli employees to be more effective an efficient in performing their duty to their best service quality concurrently improving the employee's value to the organization and this will derive them to stay much more longer in the organization. Das and Baruah (2013) on the other hand emphasized that career development is involving giving the opportunity to the employees in the organization in enhancing and developing their knowledge and skill demand to align with the current market needs. Moreover, talented employees will normally require preserving as the modest advantages in the organization and their main focus is to an observed that there are plan for their career development in order to fulfill their desire and job requirement (Prince, 2005).



The availability of career development shows the commitment and the will from the organization itself in valuing their employees present where the organization offers specific and relevant series and numbers of quality career development program to enhance their employee's knowledge, skill and ability in performing their job effective and efficiently along with the business growth (Foong, 2008). Career development opportunity is used to enhancing employees potential for the beneficial of both group of interest, employees and the organization where employees will go through series of programs and training to empowering the skills in order to meet to the organization operational demand and in the same time the organization will gain a better relationship with their employees as well (Huselid, 1995).

#### **2.6.1 The Relationship between Career Development Opportunities and Turnover Intention**

Kraimer *et al.*, (2001) claimed that there is a relationship in between career development and turnover intention among employees, as they will most likely seek for the opportunities to development their skills in the organization scope thus will reduce the numbers of employees leaving the organization. According to Lockwood (2007), nowadays it is challenging for the management to maintain and retained their work force demand as well as it much more challenging to ensure the engagement between the employees and the management is continuously improving.

In the other hand, Chang (1990) explained that individual with a desire to explore on their career development will most commonly be expecting to perceive the opportunities within the organization itself and this also lead those employees to stay and embraced their talent and skill to the organization. The failure of the organization to meet those employees expectation will only resulting them to seek for the opportunities outside of the organization that they are working with (Weng & Mc Alroy, 2012). Employees turnover not only affect the organization context but the employees' context as well where it is believed that turnover is the consequence of a coherent action on the part of an employee of an organization that intervenes the relationship between their behavior and attitude. On the basis of employee career development, there is positive between employees' career development and their intentions to leave the organization (Rahman *et al.*, 2015).

## **2.7 Underpinning Theory about Turnover Intention**

In instance turnover intention theory came from varies models inclusive „Job „Met Expectation Model“ by Porter *et al.*, 1974, „Inverse Gaussian Model“ by Withmore, 1979, „Alternative Linkages Model of Turnover“ by Hom and Griffeth, 1991, „Unfolding Model of Voluntary Turnover“ by Lee *et al.*, 1994 and Embeddedness Model“ by Mitchell and Lee, 2001 which specifically was developed grounded on March and Simon previous studies. In order to provide a more elaboration in understanding on the features of turnover intention, corresponding with the objectives of this study, the most relevant theories and models were discussed further.

### 2.7.1 Human Capital Theory

The originality function of human capital based on Adam and William (2001) study that human capital concept can be interpreted as all works are co-equal to each other and employees' productivity can be enhanced through their carrier development. Kuchar (2007) views that human's learning function are possible to be compared with other natural resources which commonly will involve production processes. Besides, human capital not only has an important role in the development and generating new concept and knowledge, it also promotes social capital and the interlinking of the knowledge within the community through internal communication (Han *et al.*, 2014).

In recent definition about human capital made by Thomas *et al.* (2013), they claimed human capital works as the employees' performance and future potential in the organization operation scope in which employees' future potential refers to that employees are able to develop their abilities and skills over period of time. This is concurrent to Dess and Picken (1999) definition where they suggest that human capital components are inclusive of the individual's skills, experience, knowledge and capabilities on both employees and managers of the company where they are competent to the task given at hand, as well as to multiply and maximize their experience, knowledge and skills through provided individual learning program. In the other words, human capital career development opportunity and job security is considered to be very important to be looking at as the organization need as well as the demand in the industry.

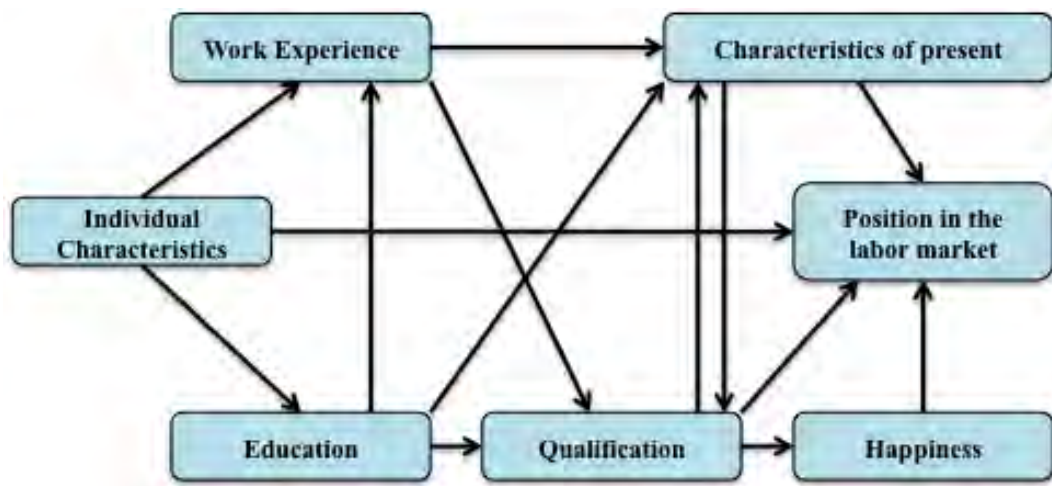


Figure 2.1:

### Human Capital Theory

(Source: Simplified according to Kuchar, 2007)

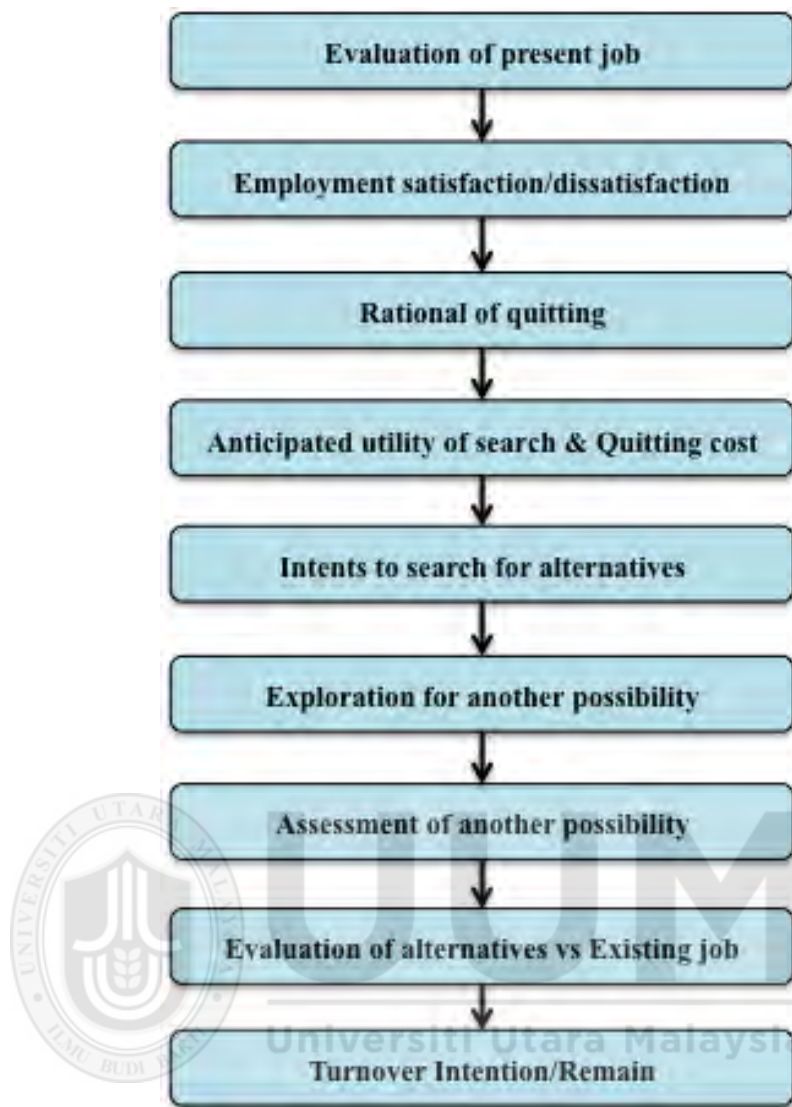
Kuchar (2007) assessed human capital based on the high demand and needs of labor force with specific skills in an organization that reflect on the possibility of the organization to invest a high amount of investment and hence enhancing the growth of the economic. Employees with a high education and who has a lesser dependent on one job will be much more flexible to the work environment and this promotes on a permanent and continuous participation and involvement of the employee towards the acceptable job offers in the organization (Brozova *et al.*, 2003). Backer (1993) emphasizing human capital theory, as the most valuable investment in human life that could be took placed in an organization.

In an organization training is viewed in general neither general nor specific training if the transfer of training suit the organization needs (Kuchar, 2007).

Nevertheless on the actual application and purpose of human capital, Becker (1993) considers training and education as the most vital investment of the human capital whereby knowledge is obtained and enhanced to meet the organization needs.

### **2.7.2 Mobley's Model**

Mobley model also well known as Turnover Decision Model, which is the base of psychological methodology (Mobley *et al.*, 1977). An undesired performance assessment will result in job dissatisfaction among employees, which normally will lead to the intention to leave the organization (Mobley *et al.*, 1997). Mobley model shows significant parallel possible intermediary step in the event of turnover intention processes where succeeding withdrawal perception will be main evaluation on the anticipations and quitting cost. As shown in Figure 2.2 on Mobley's methodology, it defined Mobley model as an organized perceptive action in which led from the existence of the first job performance evaluation.



*Figure 2.2:*  
*Sequential Turnover Model*

(Source: Mobley (1977))

Based on the above illustration on turnover theory and model, it is clear to show that the employee turnover behavior model which commonly established be found to have gaps. The commonly issues raised based on the model explained just now are on the employees perception on the organization inclusive of their performance appraisal and the compensation that they assumed to be obtained.

Thus, there is no actual explanation on why employees decided to leave the organization that they are working with and seek for another organization (Lee & Mitchell, 1994). Although there is no specific model in understanding turnover intention process as a full, an extensive assortment of variables have been found to be useful when it comes to understanding employee turnover intention.

## **2.8 Summary**

The four main constructs, which are job security, compensation, performance appraisal and career development opportunities, were used to determine the relationship between human resource management practices and turnover intention of employees. For this study, the definition of terminology, theory of human resource management practices and how their influence turnover intentions were explored based on previous study and research.

## **CHAPTER 3**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter gave explanation on the procedure or process to conduct this study. It also stated on the development of hypotheses, the operational definition, pilot study, sampling procedure and also data collection method.

#### **3.2 Research Framework**

This research aimed to define the relationship between the independent variable of job security, compensation, performance appraisal, and employee relation with the dependent variable employee turnover intention. Meyer and Allen (1991) found that in order to reduce employee turnover the organization managed to develop human resources management practice, a research framework has been illustrated in Figure 3.1. This research framework shows the relationship between the independent variable and the dependent variable which is employee turnover intention in manufacturing company in Selangor.



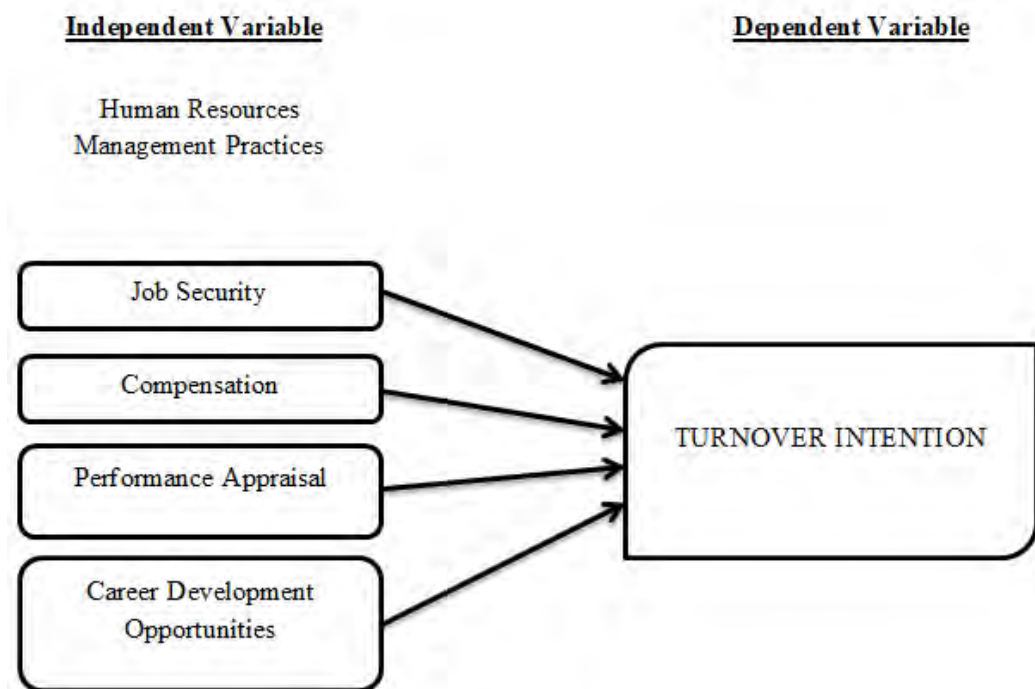


Figure 3.1  
Research Frameworks

### 3.3 Hypothesis

This research main focus is to determine the influence of independent variable to the dependent variable. There are five research hypothesis have been develop based on the above framework as per below.

**H1:** There is a relationship between job security and the employee turnover intention among employee in manufacturing company in Selangor.

**H2:** There is a relationship between compensation and the employee turnover intention among employee in manufacturing company in Selangor.

**H3:** There is a relationship between performance appraisal and the employee turnover intention among employee in manufacturing company in Selangor.

**H4:** There is a relationship between career development opportunities and the employee turnover intention among employee in manufacturing company in Selangor.

**H5:** There is influence between job security, compensation, performance appraisal, career development opportunities and employee's turnover intention among employees in manufacturing company in Selangor.

### **3.4 Research Design**

Sekaran and Bougie (2013) defined research design as a blueprint that were used as a guideline for collect, measure, and analyze data in order to find answer for the research questions, then figure out how certain problems that occur in organization can be fixed.

There are two type of research method which is qualitative research and quantitative research. Leedy and Ormrod (2005) stated that in order to answer question regarding relationship among measured variable with the purpose of predicting, explaining and controlling phenomena can be done using quantitative

research design. Moreover the analysis also can be carried out in the large sample by using standard set of questionnaire that can be generalized to the total population.

The aim of this research is to determine the relationship between the factors that influence the employee which is job security, compensation, performance appraisal and also career development opportunities on turnover intention among manufacturing employees in Selangor. Quantitative research is the best method for this research to determine the influence of the independent variable which has been proposed in the research framework.

One of the best methods that used scientific sampling and also that use the statistical method for measurement the questionnaire is the survey research (Cohen *et.al*, 2000). In addition, Cohen also state that the benefit using quantitative research is it provide a large number of estimated population.

Therefore this research utilized the quantitative research, collected valuable data and also prove the correlation between job security, compensation, performance appraisal, career development opportunities and employee turnover intention statistically. Consequently, a set of questionnaire was design and a pilot test was done in order to test the reliability of the questionnaire before distributing to the actual respondents.

### **3.5 Operational Definition**

The essential component in this research that provided a concrete description of the variable is operational definition. The definitions are as follow:

**3.5.1 Turnover intention:** Ma and Trigo (2008) define turnover intention as the extent to which employee intend to quit their organizations. Other studies done by Vandenberg and Nelson, (1999) define turnover intention as intention to quit by the individual that they want permanently leaves that organization at the some point in the future.

**3.5.2 Job Security:** Adebayo and Lucky (2012) defined job security as a possibility of an individual to keep his or her job. Other research made by James (2012) states that job security as a job continuity assurance of the employee due to the general economic conditions in the country.

**3.5.3 Compensation:** According to Mondy and Noe (2005) compensation is all the financial and non-financial rewards that be given to the employees as a return for their service. The compensation is usually based on the value of job, effort, performance and level of contribution (Milkovich & Newman, 2005).

**3.5.4 Performance Appraisal:** Performance appraisal is defined by the Mondy and Noe (2005) as a process to analyze measure, evaluate, develop, encourage and reward employees for their performance. It also can be

define as an evaluation of the employee's performance by subordinate, supervisors, and also by employee itself based on their opinion and judgment (Jackson & Schuler, 2003). Performance appraisal plays important roles in the organization as it give advancement for the employees towards their jobs (Boice & Kleiner, 2009).

**3.5.5 Career development opportunities:** Career development an opportunity defines as an approach that been taken by the organization to ensure people with proper experience and qualifications are available when needed. According to Ginzberg *et al.* (1951) career development is one process based on the continually assessing, setting goals, exploring and also acting.

### **3.6 Measurement of Variable/Instrumentation**

The main instrument that use in this quantitative studies for the data-gathering is questionnaire. The questionnaire consists of 31 questions which divided into six sections as follows:

- I. Section A – Demographic Background
- II. Section B – Turnover intention
- III. Section C – Job Security
- IV. Section D – Compensation
- V. Section E – Performance Appraisal
- VI. Section F – Career Development Opportunities

The questionnaire was adopted from the previous studies by other researcher in the past. Total of 270 hard copy questionnaire was distributed. When structuring that questionnaire, we considered all the data collection method in order to distribute that questionnaire and also collected that questionnaire conveniently and easily.

The respondents need to choose from the multiple choice response using a 5 Likert Scale point which verify from 1 to 5 (1 = Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree and 5=Strongly Agree). This is the quick and easy method and also less costly method. This Likert scale is used to measure the values and broader attitudes (Johns, 2010). It also explain that this ranking code can be average or summed to give the indication of each individual respondent overall negative or positive orientation toward that subject matter.

The reason of using five scales is to strikes a compromise between the conflicting goals of give enough choices since there are only two or three option means to measure direction rather than strength of opinion. All the data gathered was analyzed using Statistical Package for Social Sciences (SPSS).

Four variables that influenced the employee turnover intention from five respective manufacturing company in Selangor were evaluated. The 5 items questionnaire to evaluate *Job Security* elements were adopted from G.R. Oldham (1986) use to rate how secure is that job in their workplace. The questionnaires of Compensation variable have been adapted from Delery and Doty (1996). This

five items is use to rate their satisfaction towards compensation given by the organization.

Performance Appraisal five items questionnaire was adapted from Evan (1978). Respondents need to evaluate the impact of performance appraisal on turnover intention. Career Development Opportunities variable been measured by adopted a questionnaire from Briscoe (2006). Respondent need to rate their level of agreement about the opportunities that they gain in their workplace to developed employees career life.

Table 3.1

*Items of socio-demographic Information*

Socio-demographic Information	Items
<b>Personal Information</b>	<ol style="list-style-type: none"> <li>1. <i>Gender</i></li> <li>2. <i>Age</i></li> <li>3. <i>Marital status</i></li> <li>4. <i>Educational qualification</i></li> <li>5. <i>Salary scale</i></li> <li>6. <i>Work experience</i></li> </ol>

### 3.6.1 Pilot Study

The pilot study was done in order to test the reliability of the instrument that is used in this research studies is the pilot test. Leon *et al.* (2010) stated that in the big scale studies the test that is use to examine the feasibility of an approach that

is proposed is the pilot study. The adapted questionnaire used in this research was in English language. Since all sample are Malaysian with various culture and educational background, the bilingual questionnaire form been used to facilitate the respondent which have not well-verse in English Language.

30 respondents were randomly selected among manufacturing employees in five manufacturing companies in Selangor. This test is purposely run in order to determine the proposed questionnaire quality, identifies the problem which may rise to test the validity and reliability and also to identify the real time required to respondent to answer that question.

Institute for Digital Research and Education, stated that Cronbach's alpha is used in order to measure internal consistency in form of reliability which is how closely related a set item as a group. Table below will show the internal consistency for Cronbach's alpha.

Table 3.2

*Internal Consistency of Cronbach's Alpha*

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent (High-Stakes Testing)
$0.7 \leq \alpha < 0.9$	Good (Low-Stakes Testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable



Table 3.2 shows the reliability coefficient of questionnaire items of independent variable while the table shows the reliability coefficients of questionnaire items of dependent variable as below.

Table 3.3

*Reliability Coefficient of Questionnaire Items of Independent Variable*

Independent Variable	Number of Items	(r)
Job Security	5	0.819
Compensation	5	0.779
Performance Appraisal	5	0.807
Career Development Opportunities	5	0.818

Table 3.4

*Reliability Coefficient of Questionnaire Items of Dependent Variable*

Dependent Variable	Number of Items	(r)
Turnover Intention	5	0.924

Based on Table 3.3 and Table 3.4 showed that the instruments that were used to measure dependent variable (turnover intention) and independent variable (job security, compensation, performance appraisal and career development opportunities) showed a higher value of Cronbach's Alfa Coefficient and the lowest value which is 0.779 for the compensation but is acceptable because according to internal consistency of Cronbach's Alfa in Table 3.2, value of 0.7 and above can be used and acceptable. This shows that it is an acceptable range of the reliability result for the entire variable in these studies.

### 3.7 Data Collection

Method that is use to collect data in this quantitative study is a questionnaire. There are several steps to follow in order to conduct this study. The very important things are to gain approval from the management of the selected manufacturing company. Next when get the approval; targeted sample population must be chosen. Gall *et al.* (2003) defines population as an overall group that the researcher is intends to do their study on.

The five selected company that been choose for this study as per below:

Table 3.5

*Numbers of working staff in five respective Manufacturing in Selangor.*

<b>Manufacturing Companies</b>	<b>No of Staff</b>
Ecolex Sdn Bhd	137
Opcom Cables Sdn Bhd	101
Mewah Dairies Sdn Bhd	300
Denso (M) Sdn Bhd	250
KLK Bioenergy Sdn Bhd	44
<b>TOTAL</b>	<b>832</b>

After the population and sample being chosen, the bilingual questionnaire then been distributed randomly to their staff. The chosen staff been instructed briefly on the questionnaires. Refer to the record, the number of questionnaires been distributed is 270 set.

### 3.8 Sampling

Gall *et al.* (2003) define sample as a small group of an identified population. The population in this study consist 832 staff from the above mentioned manufacturing companies. The sample size in these studies is determined by the number of respondent of 270 manufacturing employees.

According to Kecjie and Morgan (1970) for a population of 832 staff, at least 265 samples are required to be used in to represent a cross section of the population. The respondent is the employees who work in any of the five respective manufacturing companies. To ensure that the sample exhibits equally the proportional representation of the different manufacturing companies which the employees work, the researcher decides to use disproportionate stratified random sampling as proposed by the Sekaran and Bougie (2013). The calculation of the samples is shown in Table 3.6.

In this study the researcher anxious that information from small samples from the different manufacturing company would not be able to portray exactly how all members would respond. Therefore, as what been theorized by Sekaran and Bougie (2013) and the numbers of samples from each stratum will be slightly altered, at the same time the sample size remain unchanged.

Table 3.6

*Disproportionate Stratified Random Sampling.*

<b>Manufacturing Companies</b>	<b>Numbers of Staff</b>	<b>Proportionate (%)</b>	<b>Numbers of Respondents</b>
Ecolex Sdn Bhd	137	$137/832=17\%$	$17\% \times 270 = 46$
Opcom Cables Sdn Bhd	101	$101/832=12\%$	$12\% \times 270 = 32$
Mewah Dairies Sdn Bhd	300	$300/832=36\%$	$36\% \times 270 = 97$
Denso (M) Sdn Bhd	250	$250/832=30\%$	$30\% \times 270 = 81$
KLK Bioenergy Sdn Bhd	44	$44/832=5\%$	$5\% \times 270 = 14$
<b>TOTAL</b>	832	100%	270

Once the population has been stratified by the manufacturing companies, a sample of members from each company can be drawn using a simple random sampling procedure (Sekaran & Bougie, 2013). By using a stratified sample, the standard error of the mean will be smaller because the variation between manufacturing companies is essential eliminated, thus, it injects an extra increment of precision into probability sampling process (Bryman & Bell, 2011).

### 3.9 Summary

This chapter has described the development of the research model for this study. All steps were properly explained to detail the research process from the beginning to the end. This chapter gives information on the sampling method involved, the preparation of the questionnaire and the method used to gain data collection. In addition, the testing method of the questionnaire also detailed along with the monitoring steps to be taken for getting the best results. Finally, the tool used for observation and analysis of the data collected is highlighted.



## **CHAPTER 4**

### **FINDINGS**

#### **4.1 Introduction**

This chapter present all the data findings from the questionnaire performed to evaluate the factors influencing turnover intention among manufacturing employee in manufacturing company in Selangor and also to find the most influential factors that contributed to the turnover intention. All the data in this study were processed using the statistical package for the social science (SPSS) version 18.0 for window. The frequency analysis and percentages have been analysed to identify the respondents' demographic profiles such as gender, age, marital status, educational level, salary and also length of service.

This chapter also gave reports for reliability analysis, descriptive analysis, correlation coefficient analysis, beta analysis and also multiple regression analysis. The statistical method of Pearson correlation has been used in order to determine the existence of any relationships between job security, compensation, career development opportunities, performance appraisal and also turnover intention. Moreover the multiple regression analysis is used to verify the hypothesis that has been listed in the chapter 3.

## 4.2 Rate of response

The population of the studies is composed of 832 people. However it is indicated in chapter 3 base on Kecjie and Morgen (1970) this study only required 265 samples. A total of 270 questionnaires were distributed to the five selected manufacturing company in Selangor. 265 fully answer questionnaire were returned as presented in

Table 4.1

### *Rate of Response*

Description	Number
Total Sampling	270
Total Questionnaire Distributed	270
Total Questionnaire Returned	265
Percentage Questionnaire Returned	98.15%

Table 4.1 above summarizes the response rate of the survey. Out of 270 questionnaires 265 questionnaires were returned which resulted to 98.15% response rate while another 1.85% were not returned.

## 4.3 Respondents' Demographic Profile

Descriptive analysis is used to compile detailed background information about the entire respondent's profile as in section A from the questionnaire. This technique was used in order to describe all the data collected from the questionnaire, the

percentages, and the frequency and also the mode is the particular type of analysis use to get the general appreciation of all the data.

Thus, this analysis is the starting point to represent all the details information of sample data that been collected and also followed by the descriptive analysis of each element in each dependent and independent variable in this studies. Table 4.2 below will summarized all the percentages of variable in demographic information such as gender, age, marital status, educational level, salary and length of service.

Table 4.2

*Demographic Profile of respondents*

<b>Demographic Variable</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Gender		
• Male	134	50.6
• Female	131	49.4
<b>Total</b>	<b>265</b>	<b>100</b>
Age		
• More than 16 less than 20	2	0.8
• Between 21-30	157	59.2
• Between 31-40	106	40.0
<b>Total</b>	<b>265</b>	<b>100</b>
Marital Status		
• Married	141	53.2
• Unmarried	118	44.5
• Widow	6	2.3
<b>Total</b>	<b>265</b>	<b>100</b>
Educational Qualification		
• Certificate	79	29.8
• Diploma	55	20.8
• Degree	120	45.3
• Master	11	4.2



• PhD	0	0
<b>Total</b>	<b>265</b>	<b>100</b>
Salary Scale		
• RM 1500- RM2000	84	31.7
• RM 2500- RM3000	92	34.7
• RM 3500- RM4000	53	20.0
• Above RM4500	36	13.6
<b>Total</b>	<b>265</b>	<b>100</b>
Years of Service		
• Less than 1 year	55	20.8
• 1-3 years	93	35.1
• More than 3 years	117	44.2
<b>Total</b>	<b>265</b>	<b>100</b>

In this study, there are two hundred and sixty five manufacturing employees that are participated. All the data date shown in the Table 4.2, is the total output that obtained by the analysis using the SSPS software version 18.0 for the window version.

According to Table 4.2 the majority of the respondent are male as they are 134 (50.6%) from total respondent. Whereas female respondent only 131 respondent (49.4%) only. This indicates that there is only small difference between male and female employees that participated in this study.

Focusing on the age of the participant, the highest range of age among the manufacturing employee that participate in this studies is those in the between (21-30) age group as they have 157 respondent (59.2%) compared to (31-40) is much lesser which is 106 respondent (40%). This is because the youth group of the employee will tend to voice out more about their right. The least age range

that participated in these studies is range (16-20) which only contributed 2 respondents (0.8%) among the entire participant. This is due to lack of awareness of the job right.

Refer to the Table 4.2; focused on the marital status, the highest participant on this study are married staff which contributed 141 respondents (53.2%) from the total participant. Followed by the unmarried who contributed 118 respondents (44.5%) and continue with the 6 respondents (2.3%) are from the widows" participant.

Refer to the educational background of the participants, majority of the employee that contributed on this study are qualified with the Bachelor Degree that is 120 respondents (45.3%) followed by Diploma holder with 55 respondents (20.8%) and the Certificate with combination both SPM and STPM holder with 79 respondents (29.8%). Whereas there are only 11 respondents (4.2%) from the participant are the Masters holders compared to there are no contribution from the PhD holders.

For the highest salary scale, employees with the salary scale RM2500-RM3000 contributed the highest percentages on these studies with 92 respondents (34.7%), followed by the salary scale RM 1500-RM2000 with 84 respondents (31.7%), RM 3500- RM4000 with 53 respondents (20%) and above RM4500 with only 36 respondents (13.6%). Lastly 117 respondents (44.2%) of the total respondents have working experience more than 3 years, followed by 93 respondents (35.1%)

from the range of 1-3 years working experience and only 55 respondents (20.8%) are from less than 1 year working experience.

#### **4.4 Reliability Analysis**

Hair *et al.* (2010) states that one of the important test that is use in order to determine the reliability of the questionnaire whether that questionnaire was admissible and reliable is the reliability analysis. The degree of the internal consistency between the multivariate can be determined based on the Cronbach's Alpha.

In order to test the reliability of this study the pilot test were conducted. To indicate how well the items in a questionnaire set are positively correlated to each other by using reliability coefficient of Cronbach's Alpha (Sekaran & Bougie, 2013). Sekaran and Bougie (2013) also stated that reliability which are less than 0.60 considered to be poor compared to those in 0.70 ranges are acceptable. Moreover, those who are more than 0.80 are considered to be good. In order to get higher internal consistency reliability the reliability coefficient must be closer to 1.

#### **4.5 Descriptive Analysis of Variable**

The statistic that is used to defined and also consolidate the respondent's behaviors in an evaluation is descriptive statistic (Leary *et al*, 2004). This statistic

will use means, percentages, and also frequencies as a subject of measurement and also capacity.

In this research, the independent variable and dependent variable are come from a several questions that have been evaluated by the respondents. The items used for measurement of the dependent and independent variable are likert scale. The dependent and independent variable has five-points likert scale that is vary from the scale 1 to 5 (1: “strongly disagree”, 2: “disagree”, 3: “neutral”, 4: “agree”, 5: “strongly agree”).

#### **4.5.1 Descriptive Findings of the Turnover Intention.**

As mention earlier, the research objective for this study is to identify the level of the turnover intention, therefore descriptive analysis has been utilized in order to address for that objective. In that conjunction, the mean will be computed. In order to determine the perception level of the turnover intention, the mean need to be computed and middle point were used to separate level (Healey, 2005). In addition, the level classified into three categories which is low, moderate and high as per below:

- a) Low Importance = 1.00 to 2.56
- b) Moderate Importance = 2.57 to 3.33
- c) High Importance = 3.34 to 4.00

The descriptive analysis of the turnover intention among the manufacturing employees in Selangor will be indicating on the Table 4.3. The selected group of employees was been evaluate by the five questions on the turnover intention. The total mean that been calculated will shows various perception by the manufacturing employees with the different education qualification and also different range of age towards turnover intention.

Based on the result in the Table 4.3, it shows that higher turnover intention that gives the highest mean of 3.42 is “*I would likely search for a position with another employer*”, whereas the second highest rank of turnover intention that come to their mind will be “*I often think about quitting this organization.*” which scored 3.28 in total. Total average means shows that respondent gives moderate important of the turnover intention.

Table 4.3

*Descriptive Analysis of Turnover Intention*

<b>Turnover Intention Items</b>	<b>Mean</b>
I often think about quitting this organization.	<b>3.28</b>
I would likely search for a position with another employer.	<b>3.42</b>
It is likely that I will leave this organization next year.	<b>3.25</b>
I am starting to ask friends about other job possibilities.	<b>3.21</b>
As soon as possible, I will leave this organization.	<b>2.96</b>
<b>Total Average Mean</b>	<b>3.22</b>

#### 4.5.2 Descriptive Findings of the Human Resources Management Practices

The descriptive analysis in term of job security can be seen in the Table 4.4, the highest responded as “*The numbers of hours I work each week will not cut back in my current organization.*” with 3.89 in total and the question that have least responded “*If my job were eliminated, I would be offered another job in my current organization.*” with 3.30 mean in total. Total average shows that responded agreed with the job security as they give high importance mean score to that factor. Thomas and Cornelius (2010) stated that lacking of job security will create a turnover intention because of the fear of retrenchment might be afraid to shift to another job will affect their career life that will go beyond their own capabilities.

Table 4.4

*Descriptive Analysis of Job Security*

Job Security Items	Mean
I am confident that I’ll be able to work for my organization as long as I wish.	3.69
If my job were eliminated, I would be offered another job in my current organization.	3.30
I am secure in my job	3.37
Regardless of economic conditions, I’ll have a job at my current organization.	3.38
The numbers of hours I work each week will not cut back in my current organization.	3.89
<b>Total Average Mean</b>	<b>3.53</b>

The descriptive analysis for the compensation is shown by the Table 4.5. Five questionnaire were evaluated by the respondent in this variable and shows the highest mean value that been agreed by the manufacturing employees is “*The company’s compensation system that provides benefit is effective and efficient.*” which have 3.11 mean score. The total average mean value showed that the respondent gives moderate importance to the level of pay.

Table 4.5

*Descriptive Analysis of Compensation*

<b>Compensation Items</b>	<b>Mean</b>
I think the level of my pay is fair.	<b>3.01</b>
I am generally satisfied with the benefit that received from this company.	<b>3.06</b>
I am satisfied with my overall compensation.	<b>3.02</b>
The company’s compensation system that provides benefit is effective and efficient.	<b>3.11</b>
The pay differences between jobs at different organizational level are acceptable and fair.	<b>3.07</b>
<b>Total Average Mean</b>	<b>3.05</b>

For the performance appraisal analysis toward turnover intention as in Table 4.6, the highest responds is “*All employee performance should be formally appraised at least once a year.*” and also “*Performance should be appraised based on previous standards, responsibilities & goals.*” Where the men score are the same which is 3.94. Whereas the least mean score is refer to the “*Your appraiser familiar with all phase of your work?*” with the mean score 3.35. Based on the

total average mean value, the respondent give high important for performance appraisal.

This been agreed by Erdogan (2002) stated that employee like to receive fair appraisal process. In addition the employee also like when the reasonable action been taken accordingly with the evidence of appraisal and also the employer rated them accurately using the specific performance standard at the same time. Therefore, the reflection of their perception on the performance appraisal will affect their work behavior as one of them is intention to leave the organization.

Table 4.6

*Descriptive Analysis of Performance Appraisal*

<b>Performance Appraisal Items</b>	<b>Mean</b>
Your appraiser familiar with all phase of your work	<b>3.35</b>
Performance appraisal should takes into consideration the contribution made by an employee beyond his/her formal duties	<b>3.58</b>
Your personal development needs be discussed during performance	<b>3.66</b>
All employee performance should be formally appraised at least once a year.	<b>3.94</b>
Performance should be appraised based on previous standards, responsibilities & goals.	<b>3.94</b>
<b>Total Average Mean</b>	<b>3.69</b>

Looking into the career development opportunities analysis in Table 4.7, the highest mean value shows that manufacturing employee agreed that their organization “Assumed duties or positions that will help you progress



*professionally.*” which has mean value of 3.80. As for the overall, the total average mean value is 3.67. The total average mean value shows that the respondent gives high importance for the career development opportunities variable. Zheng and Kleiner (2001) states that the employer can do a better job planning for their employees need, when they understand how their employees make decision about their future work.

Table 4.7

*Descriptive Analysis of Career Development Opportunities*

<b>Career Development Opportunities Items</b>	<b>Mean</b>
Developed plans and goals for your future career.	<b>3.63</b>
Actively sought to design your professional future.	<b>3.64</b>
Employees who need any career counseling are freely to see their supervisor or manager.	<b>3.62</b>
Maintained professional development opportunities or job market in your desired area	<b>3.66</b>
Assumed duties or positions that will help you progress professionally.	<b>3.80</b>
<b>Total Average Mean</b>	<b>3.67</b>

#### **4.6 Correlation Analysis**

Correlation analysis is use to determine the association and also type of the connection between dependent and also independent variables in these studies. To analyze this type of data need to use the Pearson’s Product moment correlation (r).

Hair *et al.*, (2010) state correlation is being used to test or measure the strength of relationship among variable. According to Cohen (1988) the strength of the relationship will be determined by the  $r$  values, which either show positive or negative direction of the relationship among the variable. This will be shown on the Table 4.8.

Table 4.8

*Strength of the Relationship*

Correlation ( $r$ )	Strength
$r = 0.10$ to $0.29$ or $r = -0.10$ to $-0.29$	Weak
$r = 0.30$ to $0.49$ or $r = -0.30$ to $-0.49$	Medium
$r = 0.50$ to $1.0$ or $r = -0.50$ to $-1.0$	Strong

Table 4.9 showed the result of Pearson Correlation analysis between the independent variable and turnover intention which is dependent variable.

Table 4.9

*Correlation Analysis*

		TI	JS	C	CDO	PA
TI	Pearson Correlation	1	-.228**	-.426**	-.030	-.029
	Sig. (2-tailed)		.000	.000	.631	.635
	N	265	265	265	265	265
JS	Pearson Correlation	-.228**	1	.464**	.485**	.262**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	265	265	265	265	265
C	Pearson Correlation	-.426**	.464**	1	.357**	.168**
	Sig. (2-tailed)	.000	.000		.000	.006
	N	265	265	265	265	265
CDO	Pearson Correlation	-.030	.485**	.357**	1	.219**
	Sig. (2-tailed)	.631	.000	.000		.000
	N	265	265	265	265	265
PA	Pearson Correlation	-.029	.262**	.168**	.219**	1
	Sig. (2-tailed)	.635	.000	.006	.000	
	N	265	265	265	265	265

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

TI : Turnover Intention

JS : Job Security

C : Compensation

CDO : Career Development Opportunities

PA : Performance Appraisal

Refer to the Table 4.9 shows that the result of the correlation analysis or relationship for both independent variables which is the HRM practices includes job security; compensation, career development opportunities and performance appraisal with the dependent variable which is turn over intention among manufacturing employees.

#### 4.6.1 Correlation Coefficient between Job Security and Turnover Intention

Hypothesis 1: There is a relationship between job security and the employee turnover intention among employee in manufacturing company in Selangor.

Table 4.10 shows the dimension of job security is negative and significant relationship with the turnover intention. The correlation coefficient was -.228. This shows that the relationship is negative and low. Therefore the H<sub>1</sub> is accepted. This result indicates that manufacturing employee in Selangor will leave the organization when they feel insecure with their job. Supporting by the past researcher which is Reisel *et al.* (2007) stated that job insecurity is extremely frightening to the employees which given the vision of missing of their optimistic material, social and psychological advantages with their employments.

Table 4.10

*Correlation Result between Job Security and Turnover Intention*

		Turnover Intention	Job Security
Turnover Intention	Pearson Correlation	1	-.228**
	Sig. (2-tailed)		.000
	N	265	265
Job Security	Pearson Correlation	-.228**	1
	Sig. (2-tailed)	.000	
	N	265	265

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### **4.6.2 Correlation Coefficient between Compensation and Turnover Intention**

Hypothesis 2: There is a relationship between compensation and the employee turnover intention among employee in manufacturing company in Selangor.

Table 4.11 illustrate that the compensation is negative and significant relationship with the turnover intention. The correlation coefficient shows value of  $-0.426$ . While it will shows the moderate and negative relationship between compensation and turnover intention. Thus,  $H_2$  is accepted. Based on the negative relationship result clearly showed that the lower pay satisfaction level among employees will indicate higher level of intention to leave the organization. In other words the manufacturing employees in Selangor will leave the organization when they feel that the compensation and benefit package are less attractive.

This been supported by the Armstrong and Murlis (2007) discovered that great pay encourage employees to stay with the organization for a longer time. Sarker and Afroze (2014) also exposed that poor compensation is the key reason of the employees' frustration that aggravates other undesired significant such as lateness, absenteeism and resignation from the organization.

Table 4.11

*Correlation Result between Compensation and Turnover Intention*

		Turnover Intention	Compensation
Turnover Intention	Pearson Correlation	1	-.426**
	Sig. (2-tailed)		.000
	N	265	265
Compensation	Pearson Correlation	-.426**	1
	Sig. (2-tailed)	.000	
	N	265	265

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### 4.6.3 Correlation Coefficient between Performance Appraisal and Turnover Intention

Hypothesis 3: There is a relationship between performance appraisal and the employee turnover intention among employee in manufacturing company in Selangor.

Table 4.12 demonstrates the dimension of the performance appraisal is negative and not significant with turnover intention. The correlation value of this variable;  $r = -0.29$  and the p-value of  $0.635 > 0.05$ . The correlation coefficient shows that no relationship between performance appraisals with the turnover intention and also not significantly correlated. Thus  $H_3$  fails to be accepted. The results were showed that even though the performance appraisals are not efficient but the manufacturing employees in Selangor will not leave that organization. This result were different form the previous researcher which has been stated by the Pearce and Porter (1986) that employees will be more loyalty to the organization when

their presence is trustworthy by the organization which normally they are depending on the performance appraisal rating given by their organization.

Table 4.12

*Correlation Result between Performance Appraisal and Turnover Intention*

		Turnover Intention	Performance Appraisal
Turnover Intention	Pearson Correlation	1	-.029
	Sig. (2-tailed)		.635
	N	265	265
Performance Appraisal	Pearson Correlation	-.029	1
	Sig. (2-tailed)	.635	
	N	265	265

\*\*. Correlation is significant at the 0.01 level (2-tailed).

#### 4.6.4 Correlation Coefficient between Career Development Opportunities and Turnover Intention

Hypothesis 4: There is a relationship between career development opportunities and the employee turnover intention among employee in manufacturing company in Selangor

Table 4.13 displays the career development opportunities is negative and no significant relationship with the turnover intention. The correlation coefficient is -.030 which shows there is no relationship between career development opportunities with turnover intention. The result also shows that the career development opportunities is not significantly correlated to the turnover intention as the p-value of  $0.631 > 0.05$ . Therefore the  $H_4$  fails to be accepted. The

correlation result indicates that even though the employer can't meet their career growth needs within the organization, they are more likely to remain with that organization. The result in this study were different form the previous study done by the Weng and McElroy (2012) stated that on the point that employer fails to meet their employees expectation would lead this individuals to seek employment opportunities elsewhere.

Table 4.13

*Correlation Result between Career Development Opportunities and Turnover Intention*

		Turnover Intention	Career Development Opportunities
Turnover Intention	Pearson Correlation	1	-.030
	Sig. (2-tailed)		.631
	N	265	265
Career Development Opportunities	Pearson Correlation	-.030	1
	Sig. (2-tailed)	.631	
	N	265	265

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### 4.7 Multiple Regression Analysis

The appropriate technique that is used to test relationship between predictor and criterion variable is the regression analysis. Bougie and Sakaran (2013) defines multiple regression analysis is the analysis that is used to determine the significance of the predictors with the dependent variable.



### 4.7.1 Independent Variables and Turnover Intention

Correlation and multiple regression analysis been conducted to identify the relationship between turnover intention among manufacturing employee and various potential predictor.

Table 4.14

*Summary of Regression Analysis*

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.456 <sup>a</sup>	.208	.196	4.53427

a. Predictors: (Constant), Performance\_Appraisal, Compensation, Career\_Development\_Opportunity, Job\_Security

b. Dependent Variable: Turnover\_Intention

As can be seen on the above Table 4.13, the value of  $R^2$  is 0.208, which mean 20.8% of the variance had be explained by these independent variable which is job security, compensation, performance appraisal and career development opportunities while another 79.2% is explained by other variables.

Table 4.15

*ANOVA*

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1405.112	4	351.278	17.086	.000 <sup>a</sup>
	Residual	5345.492	260	20.560		
	Total	6750.604	264			

a. Predictors: (Constant), Performance\_Appraisal, Compensation, Career\_Development\_Opportunity, Job\_Security

b. Dependent Variable: Turnover\_Intention

Table 4.16

*Beta Coefficients*

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.397	2.151		9.948	.000
Job_Security	-.163	.093	-.120	-1.754	.081
Compensation	-.553	.080	-.440	-6.948	.000
Career_Development_Opportunity	.266	.096	.178	2.757	.006
Performance_Appraisal	.062	.097	.037	.645	.519

a. Dependent Variable: Turnover\_Intention

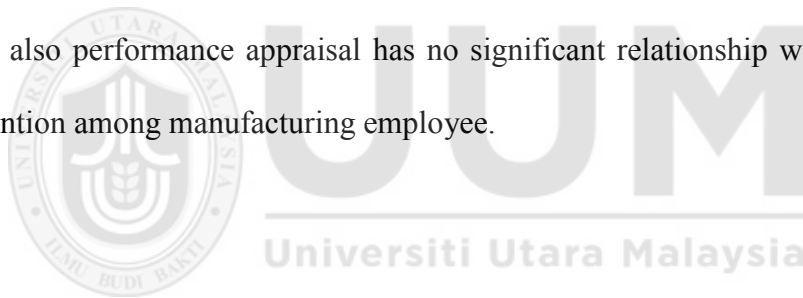
Based on the regression analysis on all the four human resources practices were significant at  $p < 0.05$ ,  $F = 17.086$ . However, according to the Table 4.15, it was found that only two variable were significant which have  $p\text{-value} < 0.05$ , which is compensation and career development opportunities with  $p\text{-value}$  of 0.000 and 0.006. Whereas another two variables, namely job security and performance appraisal was not significant to the turnover intention since the  $p\text{-value}$  for each of the variable was 0.081 and 0.519. From the result, we may conclude by saying that as least compensation and career development opportunities has impact on the turnover intention among manufacturing employee in Selangor.

Among all the independent variable, career development opportunities (beta value=0.178,  $p = 0.006 < 0.05$ ) was found have a most influence on the turnover intention followed by the compensation (beta value=-0.440,  $p = 0.000 < 0.05$ ). However, no influence was found from the job security (beta value=-0.120,  $p =$

0.081>0.05) and performance appraisal (beta value=0.037,p= 0.519<0.05) towards turnover intention among manufacturing employee in Selangor.

#### **4.8 Summary**

This chapter were discussed the data analysis procedure, the analysis of descriptive and the statistic result that been based on the data collection through distribution of the questionnaire. In this chapter also answered the entire research question and achieved the entire objective for this study. This study discovered that job security and compensation have a significant relationship with the turnover intention among manufacturing employees whereas career development and also performance appraisal has no significant relationship with the turnover intention among manufacturing employee.



## **CHAPTER 5**

### **DISCUSSION, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

Findings from the previous chapter revealed that the most influential practices that affect the turnover intention among manufacturing employees are career development and compensation. In this chapter will conclude the whole process in this research, discuss the implication by the turnover intention and also a suggestions and recommendation.

#### **5.2 Capitulation of The Study**

Turnover of the employees is one of the serious issues in an organization. Turnover is the problem that happened in many sectors of the organization. This research wants to examine the human resources management practices that influence on the turnover intention among manufacturing employee in Selangor. There are four human resources management practices which is job security, compensation, career development opportunities and performance appraisal. To define the relationship between the human resources management practice with the turnover intention is by calculating Pearson's correlation coefficient. While to determine the most influence predictor domain to turnover intention using multiple regression analysis.

This study also identify the level of turnover intention among manufacturing employee in Selangor other than determine the human resources management practices that most affect turnover intention in manufacturing company in Selangor.

From 832 employees in five selected manufacturing companies in Selangor, 265 sample was selected based on the Krecjie and Morgan table (1970) to answer all item asked in the questionnaire.

All of the objectives are identified. Objective one shows a moderate level of turnover intention among the manufacturing employee in Selangor with the total average mean value = 3.22. According to the Davis (1971) the level considered medium when the mean score is from 2.57 to 3.33.

There are five hypothesis developed in this studies. Two from the hypothesis was accepted which is “there is a relationship between job security and the employee turnover intention among employee in manufacturing company in Selangor.” and “there is a relationship between compensation and the employee turnover intention among employee in manufacturing company in Selangor”. Whereas another two hypothesis which is “there is a relationship between career development opportunities and the employee turnover intention among employee in manufacturing company in Selangor” and “there is a relationship between performance appraisal and the employee turnover intention among employee in manufacturing company in Selangor” is rejected since the career development

opportunities and performance appraisal is not significantly correlated with the turnover intention as the p-value of  $0.631 > 0.05$  and p-value of  $0.635 > 0.05$ .

Based on the R squared value, 20.8% factors that influence turnover rate has been „explained“ by the human resources management practices in this study while another 79.2% is explain by the other variable. The low percentage show was explained might related with the others human resources management practices.

Among all four human resources management practices that been studies in this papers, career development opportunities (beta value= $0.266$ ,  $p = 0.006 < 0.05$ ) was found have a most influence on the turnover intention followed by the compensation (beta value= $-6.948$ ,  $p = 0.000 < 0.05$ ). However, no influence was reported from the job security (beta value= $-1.754$ ,  $p = 0.081 > 0.05$ ) and performance appraisal (beta value= $0.645$ ,  $p = 0.519 > 0.05$ ) towards turnover intention among manufacturing employee in Selangor.

### **5.2.1 Level of turnover intention and human resources management among employee in the manufacturing company in Selangor**

The first objective of these studies is to determine the level of turnover intention and human resources management among manufacturing employees in Selangor. The mean scores for dependent and independent variable demonstrate the tendency of agreement whether low, moderate or high. The total average mean value for the turnover intention is 3.22 shows that level of the turnover intention manufacturing employee is moderate. The highest mean of 3.42 is “*I would likely*

*search for a position with another employer*”, whereas the lowest rank of turnover intention that come to their mind will be *“As soon as possible, I will leave this organization.”* which scored 2.96 in total. The findings in of this level of turnover intention is consistent with what been indicated by Oluwafemi (2013) which is turnover intention explains on the relative strength of an individual’s purpose towards voluntary permanent withdrawal from an organization. However most of the respondents are not keen to move to another company immediately, they will take time to settle down their personal life and other thing.

The total average mean for performance appraisal equals to 3.69 and the career development opportunities is 3.67. This followed by job security with the average mean score 3.53 and lastly the average mean score for the compensation is 3.05. the mean score showed that manufacturing employees give high important for performance appraisal, career development opportunities, job security and moderate importance for the compensation. All the mean score reflect the influence level of independent variable on the dependent variable and through this the turnover intention level has been identified.

### **5.2.2 Relationship between job securities with the manufacturing employee turnover intention**

In this study were found that there are weak and negative relationship between the job securities with the manufacturing employee exist as the result of the correlation analysis shows that a value of -0.228 and the significant value 0.000. This result showed that the job security is significantly influence turnover

intention. This been supported with the past researchers of Williams *et al.*, (2003) and also Cheng and Helgren, (2003). The employees will search to another job when they feel insecure with their job. In an organization, the employees should show that their job is secure in order to reduce the turnover intention among manufacturing employees in Selangor.

### **5.2.3 Relationship between compensation with the manufacturing employee turnover intention**

In this study also need to find the relationship between compensation and turnover intention among manufacturing employee in Selangor. Refer to the correlation analysis result shows that compensation are negatively correlated as the result show  $r=-0.426$  with significant 0.000.

From the above result shows that the lower pay satisfaction among the employee will regulate a higher intention for the employee to leave the organization. This was supported by researched of Sarker and Afroze (2014) and Amstrong and Murlis (2007). Poor compensation is the key reason of the employees' frustration that aggravates other undesired significant such as lateness, absenteeism and resignation from the organization.



#### **5.2.4 Relationship between career development opportunities with the manufacturing employee turnover intention**

The other objective of this study is to define a relationship between career development opportunities with the turnover intention. Based on the correlation analysis result found that there are no significant relationship for the career development with the turnover intention among the manufacturing employee in Selangor. This finding are different with the previous studies that have found by the Zheng and Kleiner (2001) states that the employers can performed a better job planning based on their current human resources needs when the employers really understand and know how to decides about the employee future career accordingly. Although Weng and McElroy (2012) have indicated that failure to meet the employee's expectation would lead these individuals to seek employment opportunities elsewhere, however this study seems to be different from the previous literature. This probably due to this economic circumstance as it is very difficult to find a replacement job.

#### **5.2.5 Relationship between performance appraisals with the manufacturing employee turnover intention**

Beside that this study also wants to find the relationship between performance appraisals with turnover intention. Refer to the correlation result it shows a negative value which is  $r = -0.029$  with significant  $0.635 > 0.05$  which will shows that there are no significant relationship between performance appraisal. This finding were different from the previous researcher which is Boswell (2004)

stated that performance appraisal will give a positive impact on the turnover intention. Result from this study also different from the previous study which is done by Rubel and Kee (2014) stated that performance appraisal is one of the significant matters that will cause in greater performance which also lead to job satisfaction and also increase motivation. In this study indicate there are no significant relationships between performance appraisals with the turnover intention probably due to the bad impression that the new organization will be seen to the employees if they are often change their work.

#### **5.2.6 Relationship between job securities, compensation, career development opportunities, performance appraisal with the manufacturing employee turnover intention**

The last objective from this research is to examine the relationship between job security, compensation, career development opportunities, performance appraisal and turnover intention among manufacturing employee in Selangor. Beside the theoretical support regarding the human resources management practices on the turnover intention among employee, this research has been done in order to find which human resources practices that may have significant influence on the turnover intention. The R square values shows that 20.8%. This result shows that there a significant relationship between the overall HRM practices and turnover intention among manufacturing employees in Selangor. There are also others possible factors that can be contributed to the turnover intention such as good working condition, supportive supervisor or employer, training and development and others human resources management factors. This has been confirmed by the

past researcher which been conducted by Khan *et al.* (2014) shows that the human resources management has a significant role in order to explaining turnover intention. The other reason of the turnover intention decision is probably related to their personal life.

### **5.3 Conclusion**

This research been conducted in order to define the relationship between the human resources management with the turnover intention among the manufacturing employee in Selangor. All the management practices were studied are job security, compensation, career development opportunities and also performance appraisal. The result in this study show that job security and compensation have significant relationship with the turnover intention whereas career development opportunities and performance appraisal has no significantly relationship with turnover intention among manufacturing employee.

Employee turnover has become a serious concern in today's organization because of their implication. Many factors that contribute to the increases of the turnover rate among the manufacturing employee from time to time. The factors can be from the organization or the employees itself.

Associate with the previous research findings, this research been proposed in order to get an organized structure regarding employee turnover so that will help organization to aware with the affecting factors that will lead to the turnover intention among employee.

In this study reveals that factors such as compensation are showing the highest importance in determine the turnover intention among manufacturing employees in Selangor. The most important thing that needs to give priority in this matter is the strategic human resources practices in order to make sure the employee stay on that organization. In order to make sure the employee retention there must be a mutual relationship between employee and employer.

The employee will loyal with the company if they feel that they getting appreciation from the employer. Turnover will bring a bad impact to organization. Therefore the organization must understand full concept and affecting factors that affect turnover. As an employer need to take a corrective action in order to prevent this turnover intention issue in order to prevent it from become worse.

#### **5.4 Recommendation**

There are some recommendations for the HR practices to be proposed in this section. The main asset in the organization is the employees. Thus the organization needs to study and investigate on the way to retrench the employee.

Based on the research findings, it is strongly recommended that the management of the manufacturing company of a particular manufacturing company to focus in the influence of job security on the turnover intention. Job security in this sectors is weakening compared to others sector. This can be done by the mentor mentee program that will develop the sense of belonging in the employees.

In the manufacturing industry they are equally significant for all job categories. The organization should retain talent employees in the competitive labor market by implement a great compensation and benefits package that can attains some objective, for instance, external competitiveness, internal alignment, and efficiency in order to accomplish organization objective.

The compensation package are include salary, bonuses and incentive that can keep motivate employees as well as will increase their job performance and work better in this manufacturing company. Management also can encourage employee to participate and take initiative in the cost saving activities that will give benefit to the employee and company. The saving cost can encourage management to increase annual salary and also bonus budget every year by depending on the total cost saving per year.

The other ways to retrenched employee is by reducing the level of stress works among employees. Beside that the employer also can improvise the organization working condition and also give employee work life balance. As an employer also need to comprehend the real contributing factors on the turnover intention among manufacturing employee and take a corrective action to prevent issues arise related to HRM practices which could employee look for a different job in the future.

#### **5.4.1 Recommendation for Future Researchers**

The aimed for this study is to identify which practices in the human resources management practices that can give impact on the turnover intention among manufacturing employee in Selangor. Therefore, there are four HRM practices that been selected in this study which is job security, compensation, career development opportunities and performance appraisal are selected in this study may not sufficient to understand the trend of the turnover intention at the selected manufacturing company.

It is suggested to study on the other human resources management practices that possibly give the high impact on the turnover intention as such training, productive working conditions, leadership and others human resources management practices.

This framework studies also can be used by the future research in other sectors such as education, banking, and also service sectors which can bring another insight to the body knowledge in HRM practices. Turnover intention result must be different form the other different sector.

The regression analysis in this research show that only 20.8% turnover intention among manufacturing employee has been identified through the four independent variable which is job security, compensation, career development opportunities and also performance appraisal among manufacturing employee. There is still remaining of 79.2% of the other factors that need to be identified by the future

researchers. This is because there many factors that can contribute turnover intention.

In addition the future researcher also cans extent the current study into the mixed mode design which should include additional data collection technique such as interviews to investigate the issue in the depth way. This is because through interviews, more detailed information could be gain from the target respondent. By doing the combined research it will increase the understanding on the influence of HRM practices on turnover intention.



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**HUMAN RESOURCES MANAGEMENT PRACTICES AND TURNOVER  
INTENTION AMONG MANUFACTURING EMPLOYEES IN SELANGOR.**

Dear Sir/ Madam,

Thank you for agreeing to participate in this research.

We are currently conducting a study on *“Human resources management practices and turnover intention among manufacturing employees in Selangor”*. Therefore, we would appreciate if you could answer all of the questions in the survey as the information you provide will influence the accuracy and success of this research. It will take less than 15 minutes to complete the questionnaire. Please note that response gathered will be treated in the strictest confidence and will be used for academic purpose only.

If you have any question regarding this research, you may forward them to us at the contact below.

Researcher:

Nor'Atikah Binti Baharil

Master student of Human Resource Management

Universiti Utara Malaysia, Kuala Lumpur

([atikah\\_baharil@yahoo.com](mailto:atikah_baharil@yahoo.com))

Thank you for your time and cooperation in answering this questionnaire.

## Section A: Demographic Profile

Please tick (✓) in relevant Section (A)

1. Gender (*Jantina*):

Male (*Lelaki*)

☐

Female (*Wanita*)

☐

2. Age (*Umur*) :

More than 16 less than 20 (*lebih 16 bawah 20*)

☐

Between 21-30 (*Diantara 21-30*)

☐

Between 31-40 (*Diantara 31-30*)

☐

3. Marital Status (*Taraf Perkahwinan*) :

Married (*Berkahwin*)

☐

Unmarried (*Bujang*)

☐

Widow (*Balu*)

☐

4. Educational Qualifications (*Taraf Pendidikan*):

SPM STPM (*SPM/STPM*)

☐

DIPLOMA (*Diploma*)

☐

DEGREE (*Ijazah Sarjana Muda*)

☐

MASTER (*Ijazah Sarjana*)

☐

PHD (*Doktor Falsafah*)

☐

5. Salary Scale (*Skala Gaji*)

RM 1500-RM2000

☐

RM 2500-RM3000

☐

RM 3500-RM4000

☐

Above 4500

☐

6. How long have you worked in this organization?  
(*Berapa lamakah anda bekerja di organisasi ini?*)

Less than 1 year (*Kurang dari 1 tahun*)

☐

1-3 years (*1-3 tahun*)

☐

More than 3 years (*lebih dari 3 tahun*)

☐

## Section B: Turnover Intention

Statements below describe your intention to leave from a particular organization. Please read each statement carefully and then indicate the extent to which you agree or disagree by tick (✓) the number on a scale of 1 (Strongly disagree) to 5 (Strongly agree). *Pernyataan di bawah menggambarkan niat anda untuk meninggalkan organisasi tertentu. Sila baca setiap kenyataan dengan teliti dan kemudian tunjukkan sejauh mana anda bersetuju atau tidak setuju dengan tanda semak (✓) nombor pada skala 1 (Sangat tidak setuju) hingga 5 (Sangat setuju).*

1 Strongly Disagree	2 Disagree	3 Neither Agree Nor Disagree	4 Agree	5 Strongly Agree
---------------------------	---------------	------------------------------------	------------	------------------------

Turnover Intention					
7. I often think about quitting this organization ( <i>Saya sering berfikir tentang berhenti dari organisasi ini</i> ).					
8. I would likely search for a position with another employer .( <i>Saya mungkin akan mencari kedudukan dengan majikan lain</i> )					
9. It is likely that I will leave this organization next year .( <i>Mungkin saya akan meninggalkan organisasi ini</i> )					
10. I am starting to ask friends about other job possibilities .( <i>Saya mula bertanya kepada kawan-kawan tentang kerja lain</i> )					
11. As soon as possible, I will leave this organization.( <i>Saya akan meninggalkan organisasi ini secepat mungkin</i> )					

## Human Resources Management (HRM) Practices

The statements below describe HRM practices in organizations. Please read each statement carefully and then indicate the extent to which you agree or disagree with HRM practices in your current organization by tick (✓) the number on a scale of 1 (Strongly disagree) to 5 (Strongly agree). *Kenyataan di bawah menerangkan amalan HRM dalam organisasi. Sila baca setiap pernyataan dengan teliti dan kemudian nyatakan sejauh mana anda bersetuju atau tidak bersetuju dengan amalan HRM di organisasi anda sekarang dengan menandakan (✓) nombor pada skala 1 (Sangat tidak setuju) hingga 5 (Sangat setuju)*

### Section C: Job Security

1 Strongly Disagree	2 Disagree	3 Neither Agree Nor Disagree	4 Agree	5 Strongly Agree
---------------------------	---------------	------------------------------------	------------	------------------------

Job Security	1	2	3	4	5
12. I am confident that I'll be able to work for my organization as long as I wish ( <i>Saya yakin bahawa saya akan dapat bekerja untuk organisasi saya selagi saya inginkan</i> )					
13. If my job were eliminated, I would be offered another job in my current organization ( <i>Jika kerja saya dihapuskan, saya akan ditawarkan pekerjaan lain dalam organisasi saya sekarang</i> )					
14. I am secure in my job ( <i>Saya berasa kerja saya selamat</i> )					
15. Regardless of economic conditions, I'll have a job at my current organization. ( <i>Walau apa pun keadaan ekonomi, saya akan mempunyai pekerjaan di organisasi saya sekarang.</i> )					
16. The numbers of hours I work each week will not cut back in my current organization. ( <i>Bilangan jam yang saya kerjakan setiap minggu tidak akan berkurang dalam organisasi saya sekarang</i> )					

### Section D: Compensation

1 Strongly Disagree	2 Disagree	3 Neither Agree Nor Disagree	4 Agree	5 Strongly Agree
---------------------------	---------------	------------------------------------	------------	------------------------

Compensation	1	2	3	4	5
17. I think the level of my pay is fair ( <i>Saya rasa tahap gaji saya adil</i> )					
18. I am generally satisfied with the benefit that received from this company. ( <i>Saya secara amnya berpuas hati dengan faedah yang diterima daripada syarikat ini</i> )					
19. I am satisfied with my overall compensation. ( <i>Saya berpuas hati dengan keseluruhan pampasan saya</i> )					
20. The company's compensation system that provides benefit is effective and efficient. ( <i>Sistem pampasan syarikat yang memberi faedah adalah berkesan dan cekap</i> )					
21. The pay differences between jobs at different organizational level are acceptable and fair. ( <i>Perbezaan gaji antara pekerjaan di peringkat organisasi yang berbeza boleh diterima dan adil</i> )					

## Section E: Performance appraisal

1 Strongly Disagree	2 Disagree	3 Neither Agree Nor Disagree	4 Agree	5 Strongly Agree
---------------------------	---------------	------------------------------------	------------	------------------------

Performance Appraisal	1	2	3	4	5
22. Your appraiser familiar with all phase of your work( <i>Pentaksir anda biasa dengan semua fasa kerja anda.</i> )					
23. Performance appraisal should takes into consideration the contribution made by an employee beyond his/her formal duties( <i>Sekiranya penilaian prestasi mengambil kira sumbangan yang dibuat oleh pekerja di luar tugas rasminya</i> )					
24. Your personal development needs be discussed during performance( <i>Sekiranya keperluan pembangunan peribadi anda dibincangkan semasa perbincangan prestasi</i> )					
25. All employee performance should be formally appraised at least once a year. ( <i>Sekiranya semua prestasi pekerja dinilai secara formal sekurang-kurangnya sekali setahun</i> )					
26. Performance should be appraised based on previous standards, responsibilities & goals. ( <i>Prestasi harus dinilai berdasarkan standard, tanggungjawab dan matlamat sebelumnya.</i> )					

## Section F: Career Development Opportunities

For Career Development Opportunities such as career planning, career self-exploration, networking and human capital/skill development, please rate its effectiveness. *Untuk Peluang Pembangunan Kerjaya seperti perancangan kerjaya, penerokaan diri kerjaya, rangkaian dan modal insan / kemahiran, sila tingkat keberkesanannya*



<b>1</b> <b>Strongly</b> <b>Disagree</b>	<b>2</b> <b>Disagree</b>	<b>3</b> <b>Neither Agree</b> <b>Nor Disagree</b>	<b>4</b> <b>Agree</b>	<b>5</b> <b>Strongly</b> <b>Agree</b>
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<b>Career Development Opportunities</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
27. Developed plans and goals for your future career. <i>(Rancangan dan matlamat yang dibangunkan untuk kerjaya masa depan anda.</i>					
28. Actively sought to design your professional future. <i>(Secara aktif berusaha untuk merancang masa depan professional anda)</i>					
29. Employees who needs any career counselling are freely to see their supervisor or manager. <i>(Pekerja yang memerlukan kaunseling kerjaya bebas untuk berjumpa penyelia atau pengurus mereka).</i>					
30. Maintained professional development opportunities or job market in your desired area. <i>(Mengekalkan peluang pembangunan professional atau pasaran pekerjaan di kawasan yang anda inginkan)</i>					
31. Assumed duties or positions that will help you progress professionally. <i>(Berasaskan tugas atau kedudukan yang akan membantu kemajuan anda secara professional)</i>					

**-END OF QUESTIONNAIRE. THANK YOU FOR YOUR COOPERATION –**

## APPENDIX 2 – DATA ANALYSIS

### 2.1 Demographic Data

**Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	134	50.6	50.6	50.6
	Female	131	49.4	49.4	100.0
	Total	265	100.0	100.0	

**Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 16 less than 20	2	.8	.8	.8
	Between 21 – 30	157	59.2	59.2	60.0
	Between 31 – 40	106	40.0	40.0	100.0
	Total	265	100.0	100.0	

**Marital**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	141	53.2	53.2	53.2
	Unmarried	118	44.5	44.5	97.7
	Widow	6	2.3	2.3	100.0
	Total	265	100.0	100.0	

**Education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	79	29.8	29.8	29.8
	Diploma	55	20.8	20.8	50.6
	Degree	120	45.3	45.3	95.8
	Master	11	4.2	4.2	100.0
	Total	265	100.0	100.0	

### Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM1500-RM2000	84	31.7	31.7	31.7
	RM2500-RM3000	92	34.7	34.7	66.4
	RM3500-RM4000	53	20.0	20.0	86.4
	Above RM4500	36	13.6	13.6	100.0
	Total	265	100.0	100.0	

### Experiance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	55	20.8	20.8	20.8
	1 to 3 years	93	35.1	35.1	55.8
	More than 3 years	117	44.2	44.2	100.0
	Total	265	100.0	100.0	

## 2.2 Reliability Analysis for Pilot Study

### 2.2.1 Turnover Intention

#### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.924	.926	5

### 2.2.2 Job Security

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.819	.818	5

### 2.2.3 Compensation

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.779	.787	5

### 2.2.4 Career Development Opportunities

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.818	.814	5

### 2.2.5 Performance Appraisal

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.807	.813	5

## 2.3 Descriptive Analysis

**Descriptive Statistics**

	Mean	Std. Deviation	N
DV	16.1132	5.05673	265
JS	17.6302	3.72835	265
C	15.2679	4.01983	265
CDO	18.3547	3.37698	265
PA	18.4679	3.01636	265

## 2.4 Correlation Analysis

**Correlations**

		DV	JS	C	CDO	PA
DV	Pearson Correlation	1	-.228**	-.426**	-.030	-.029
	Sig. (2-tailed)		.000	.000	.631	.635
	N	265	265	265	265	265
JS	Pearson Correlation	-.228**	1	.464**	.485**	.262**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	265	265	265	265	265
C	Pearson Correlation	-.426**	.464**	1	.357**	.168**
	Sig. (2-tailed)	.000	.000		.000	.006
	N	265	265	265	265	265
CDO	Pearson Correlation	-.030	.485**	.357**	1	.219**
	Sig. (2-tailed)	.631	.000	.000		.000
	N	265	265	265	265	265
PA	Pearson Correlation	-.029	.262**	.168**	.219**	1
	Sig. (2-tailed)	.635	.000	.006	.000	
	N	265	265	265	265	265

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## 2.5 Multiple Regression Analysis

Variables Entered/Removed <sup>b</sup>			
Model	Variables Entered	Variables Removed	Method
1	Performance_A ppraisal, Compensation, Career_Develo pment_Opportu nity, Job_Security <sup>a</sup>	.	Enter

a. All requested variables entered.

b. Dependent Variable: Turnover\_Intention

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.456 <sup>a</sup>	.208	.196	4.53427

a. Predictors: (Constant), Performance\_Appraisal, Compensation, Career\_Development\_Opportunity, Job\_Security

b. Dependent Variable: Turnover\_Intention

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1405.112	4	351.278	17.086	.000 <sup>a</sup>
	Residual	5345.492	260	20.560		
	Total	6750.604	264			

a. Predictors: (Constant), Performance\_Appraisal, Compensation, Career\_Development\_Opportunity, Job\_Security

b. Dependent Variable: Turnover\_Intention

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.397	2.151		9.948	.000
Job_Security	-.163	.093	-.120	-1.754	.081
Compensation	-.553	.080	-.440	-6.948	.000
Career_Development_Oppportunity	.266	.096	.178	2.757	.006
Performance Appraisal	.062	.097	.037	.645	.519

a. Dependent Variable: Turnover\_Intention



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